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# APPENDIX.

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# APPENDIX

TO THE

## CONGRESSIONAL RECORD.

### The Tariff.

### SPEECH

OF

HON. WALTER EVANS,  
OF KENTUCKY.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 24, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. EVANS said:

Mr. CHAIRMAN: After more than one hundred years of tariff discussion, it would really seem to be wholly unnecessary to further discuss the general proposition. In an attempt to do so from a standpoint somewhat different from that of those who have preceded me I shall endeavor to address myself to the questions involved, with candor and with as little as possible of partisan feeling. I am not vain enough to suppose that I can convince anybody that a protective tariff is wise if I do not advance some sound reason for it. Nor have I the slightest disposition to engage in this or any discussion upon any other line than that of a desire to aid in the accomplishment of what may seem best for the people we represent.

As a member of the Committee on Ways and Means, I have been anxious to contribute anything I could toward the perfection of the pending tariff bill. I am the first Republican who was ever upon that great committee from the section that we usually call the South. I regret to say that that section has hitherto been dominated by influences which have repelled the doctrine of protection. The keynote of that doctrine used to be sounded from the South. Its foremost champion was the illustrious statesman who so richly dowered the history of Kentucky and of the country with his genius, courage, and eloquence; yet before Henry Clay had departed from the Halls of Congress his voice had almost lost its weight in the South, and influences then controlled that section of the country which were hostile to the great principles to whose advocacy he had devoted his life work.

This bill is very simple in its objects. They are fully and accurately stated in the title. They are, first, to provide revenue for the Government, and second, to encourage the industries of the United States. Practical questions are presented, and in my judgment their discussion and treatment should be equally practical. The first can be easily and briefly disposed of, so far as any argument upon it may be concerned.

I have before me the official statement of the condition of the Treasury on the 5th of March, the first day of the present Administration, and about the end of the eighth month of the current fiscal year. It shows that there was then a deficit in the revenues for the first eight months of the present fiscal year of \$49,648,334.87. There has been for the last four years an average monthly deficit in the revenues of the Government of over \$4,000,000 per month.

These facts alone not only show, but they clearly demonstrate, that there should be a prompt increase of the revenues to meet this deficiency. The fact that month by month and year by year during the past four years we have upon an average run short in revenue \$4,000,000 each month is demonstration conclusive and positive that there is something wrong somewhere and that the evil should be remedied at once. This bill proposes to deal with that question in an effective manner. It proposes such rates of duty as shall increase the revenue up to the standard needed for the monthly expenses of the Government. Surely this is the dictate alike of common sense and patriotism.

But there is another, and to my mind a more important matter, if possible, proposed in the bill, to wit, the encouragement of the industries of the United States. I am in favor of increased reve-

nue, but I still more insist upon protection. Revenue is essential, but protection is paramount. Revenue will help the Government proper, but protection will relieve the whole people. If the figures I have given demonstrate the need of revenue, the facts known to every member who represents an industrial constituency of any character emphasize in a twofold degree the demand for encouragement to our industries of every kind.

In 1892 every man who cared to find work could do so at fairly good wages. Since 1893 the labor of finding work to do has generally been greater than the doing of the work after it has been found. No man can fail to experience the sincerest distress who goes through any of our cities, to see the idle men and the suffering women and children. Nothing further is needed to admonish us in the most significant manner that all our industries must be stimulated and encouraged.

And while I favor the speediest means of raising ample revenue for the Government, and believe that this bill should be passed because it will adequately do so, I am still more for it because it will put into forceful activity that doctrine of the Republican party which demands that there shall be encouragement given to the industries of the people of the United States. Our people are without work. Enforced idleness is the greatest calamity that can come to an industrious population.

As we all know, the McKinley bill was passed in 1890. It underwent in this House, and, indeed, in both Houses, a more elaborate discussion, perhaps, than this bill will receive. If I am not mistaken, though I was not here, the same prophecies of evil were hurled at that bill as at this—prophecies of disaster to the country if it passed, prophecies of every harmful result, as a reason why that bill should be rejected. And those of us who remember the history of the times after the bill became a law know that the people of the country were treated to prophecies of woe to the like of which possibly we had never been treated before. The people were fooled, and badly fooled. Everybody knows that in 1892, as a most unfortunate result, they reversed the policy of the Congress that passed that bill, and forced a new discussion of the question of the tariff upon different lines.

It was not long, however, before the people awoke to the fact that it was not the McKinley bill or its principles which were wrong, but that it was the Democratic leaders who had hoodwinked and deceived them. With fearful promptitude and completeness they overthrew those leaders, and by great majorities sent us here to pass a protective-tariff law. That was their demand. It imposed upon us a duty. We will perform it. That duty was to pass a protective-tariff bill, and the people knew that revenue would incidentally but adequately come from it.

The Republican members of the Committee on Ways and Means undertook to frame such a bill, and the one submitted to the House is the result. We know that the people in 1892 rejected the McKinley bill and rejected William McKinley. But, Mr. Chairman and gentlemen of the committee, again has the stone which the builders rejected become the head of the corner. William McKinley, who was repudiated, whose bill was repudiated in 1892, is now the President of the United States, and the bill we propose to you, which was built upon the McKinley bill as a foundation, will again, in my judgment, be the law of the land and a bulwark of prosperity to the people under McKinley's Administration. And we see, too, not only was that rejected stone made the head of the corner, but we see, furthermore, that that eminent statesman who presided over this House, and who was as much as any other force under Providence a factor in the problem of passing that bill, is for the third time the Speaker of the House.

The people of this day will not repeat the mistake of 1892. They have commissioned us, as I have said, to pass a tariff bill. The one that we have proposed is a tariff bill in the true sense of the word. We hear it derided, we hear it denounced as monstrous in most extravagant language; but when you come to look at it in the light of candor, when you come to look at it with a desire to know what it is, with a desire to understand what it in fact contains, you will find that the framework of this bill is precisely the same

in substance (varied only in rates and details) as the bill Mr. McKinley passed, the same as the bill that Mr. Wilson passed through the House. The only essential differences are as to the rates proposed in this bill and in the manner of adjusting those rates to the dutiable article, whether by specific designation or by ad valorem rates. In fact, and almost of necessity, all tariff bills proceed largely on the same lines so far as language and framework are concerned.

If we go back to the first resolution for the first tariff bill ever introduced in this House, we shall find the germ of the schedules contained in the tariff bill of to-day, and so all the way down. Not only have the articles on the dutiable lists many times doubled, but the articles upon the free list have also increased. The improved schedules have come in the regular classification in each of things that were homogeneous. This first appeared in the lettered schedules of the act of 1893. Again in 1890 and in 1894 that character of schedules was adopted by the framers of the tariff bills. But, practically considered, it is impossible to frame a tariff measure without taking into consideration the conflicting doctrines and theories of protection on the one side and those of free trade or a tariff for revenue only on the other.

Nothing better exhibits the relative value of the two theories than the fact that the East availed itself of protection, and greatly prospered; while the South scouted it, and is behind. The East has money to lend, and is abused; the South has it not, because of its own shortsightedness.

I have felt that the interests of the South have been sacrificed to the idols of prejudice and the sophisms of free trade. The people have been lured into neglect of the things most essential to their prosperity and advancement. No part of our people more need the benefits of protection, and none has suffered more by neglecting or repelling its teachings.

It will be found by anyone who really studies the question without jumping at conclusions that many things might have been made factors of prosperity in the South if only an energetic attempt had been made, but her statesmen would not look after them. On the contrary, they refuse even an offer to protect them, and broad and catholic as are the principles of protection, it has been impossible to force upon a people an advantage they have constantly repelled.

It seems to me it is time for this to be changed, time for the South to diversify and build up, broaden, and strengthen the industries and the industrial sentiment of that section and of her people. If, with all her bountiful resources, the South is behind any portion of the country to-day, it is because prejudice has caused her statesmen to sacrifice her real interests upon the altar of unsound theories. If this course could be reversed, the improvement we so admire and almost envy elsewhere would equally be hers. She has given it all up in order to follow the lead of those who were afraid to teach her to go forward lest their personal ascendancy might be overthrown by her advance. No delusive appeal has been spared to preserve this status. Even in this debate we are asked if any people ever got rich by being taxed, and the triumphant repetition of this inquiry of the sciolist indicates that it is supposed to leave nothing else to be said, and for years—yes, generations—men have been deluded by this suggestion, which embodies a palpable absurdity to the man who thinks. While in truth no people can well tax themselves into wealth, the inquiry I have mentioned proceeds upon the assumption that a tariff is a tax to the full extent of the rate of duty imposed.

I shall recur to this after a while, but for the present it may be sufficient to say that there is no tariff tax imposed upon any domestic manufacture. There is no tariff tax imposed upon any article that is made by our own people. We impose the tariff duty on the foreign article in order to give our home people a chance to make what we need. Reduce it to its elements, and the thing done is this: When a product of foreign growth or manufacture attempts to find a market in the United States, it is required to pay a price for the privilege. The difference between us is as to how large that price should be. The protectionist says that it should be a price which will at least bring the cost of the foreign product up to what it costs to make it here, and thus equalize the wages of the laboring man on this side of the water with the wages of the laboring man upon the other side, while the free trader insists that that is an element that should have no place in the problem except incidentally for revenue.

In my judgment it is unfortunate that the people of the southern part of our country—a people with whom I have always been identified, not in sentiment, but by birth and by all the ties that could bind me to any people—I say it is unfortunate, in my judgment, that that great people should have allowed prejudices and the power of early political association and teaching to lure them into a belief in the sophistries of free trade, and to cause them to repel and to exclude the efforts of the Republican party to give to that section of the country the same advantages that have made other sections rich, prosperous, and happy.

I indicated awhile ago that the natural home of the doctrine of protection was in the South; but after the cotton gin was dis-

covered and Calhoun had apostatized from that great doctrine, the South, under his leadership, gradually repelled it. It sought a more hospitable home elsewhere, and it was favorably received in the eastern part of our country. The people of the East were quick to see its advantages, and while others would not avail themselves of it, they did. And what has been the result? The people in the eastern part of this country have few or no natural advantages over the people in the southern part, but with a more enterprising genius, with a greater practical knowledge of the business of the world, they took advantage of this great American doctrine that had been offered to them by Henry Clay and the fathers, they availed themselves of it to the fullest extent, and, as I have stated, the consequence to-day is that it is a matter of reproach to them in this debate that they have money to lend.

COTTON.

They are prosperous, when they have the chance to be, and excite the envy of those in other portions of the country who ought to be equally prosperous. But instead of availing themselves of this doctrine and applying it, the statesmen of the South have been so wedded to the doctrine of free trade, to the doctrine that the tariff is a tax and a burden instead of a benefit, that we find just one man having the courage to come up from the State of Mississippi, a young man of apparent intelligence and information upon this subject—we find that young man coming here upon the invitation of the committee, an invitation that was extended not, as falsely alleged, to trusts and corporations and combines, but to everybody, poor and rich, high and low, all over the United States, who are interested in this great industrial question. That young man came up here, solitary and alone, and asked that a duty be placed upon long-fiber cotton, and when his proposition was heard before the Ways and Means Committee, the gallant leader of the Democracy from the State of Alabama [General WHEELER], as the hearings show, inveighed against it as an attempt to destroy the birthright of the South! I for one have told my friend from South Carolina, my associate upon the committee [Mr. McLAURIN], that if he would prepare a classification of the sort of cotton that he wants protected, I would cheerfully vote for it. Cotton is cotton, and if you undertake to put a duty on long fiber it is extremely difficult, indeed, well-nigh impossible, to tell where the line on different grades or character of fiber ought to begin and where it ought to end.

One of the theories of protection is that there is no need of protection for any industry which is perfectly independent of it. If any industry in the country was independent of protection, any that did not need it, it was the cotton industry up to the beginning of a small competition on the long-fiber variety.

In the earlier portions of the century, with a labor that defied the cheapest, with an almost absolute monopoly of the world's market, American cotton was indeed king.

When the late war made it necessary to get cotton elsewhere, means were found to cultivate it in other countries, and that is done to a large extent to-day. Still the United States produces very much more than half of the crop of the entire world, and exports over 70 per cent of what she raises. So that, speaking generally, the cotton-raising industry needs no protection and fears no rival. Of long fiber we import a comparatively few thousand bales for special manufactures, and it is now claimed, contrary to what at first appeared to be true, that we can raise an equally good long fiber in the South, and protection was asked by the young Mississippian for the effort.

If it be true that it can be done in this country by our planters, I am cordially in favor of giving it protection. Cotton generally does not need it; we all concede that. But if this variety does, it should have it, and if our planters can make it they should be stimulated to do so. On cotton generally a wholly unnecessary duty would look ridiculous in the face of 70 per cent of exports, and might invite reprisals; but if our friends can frame an intelligent and satisfactory classification and differentiation, I favor a duty upon the long fiber. I invited them to make the effort. The invitation was not accepted.

But, notwithstanding the facts I have stated, let us look at the history of tariffs on cotton, for I believe it will illustrate this question as well as any other subject that could be brought to the attention of the committee. After the doctrine of protection was first broached under our Government, there was never any disposition to exclude cotton from its benefits until it was done by the South itself. On the contrary, cotton was put upon the dutiable list by the tariff act of 1789, and it remained on the dutiable list until some years after the act of 1842. Then, in some way, it disappeared from the dutiable list—I do not know how—to reappear again on the list of taxed articles during the war. But as that was an exceptional period, and as it was for exceptional reasons, I need not dwell upon it, particularly as it was an internal-revenue tax. Now, there may have been some humbug in putting cotton on the dutiable list originally, because at that time there was no sort of danger of competition from any rival on the face of the earth. There was, as I have shown, no place in the world where cotton could have been produced of such



quality and in such quantities as to compete with our cotton industry, and especially the cotton industry as carried on by slave labor in the United States.

Still a duty was kept on cotton until about 1846. After that the free-trade tendency in the South became so strong—and especially as the doctrine was industriously inculcated that protection was injurious to the interests of slave labor—that the duty was taken off.

The devotion to free trade continued and expanded in the South until at the setting up of the Confederate government it was crystallized into a constitutional provision in the fundamental law of that organization in these words:

Sec. 8. The Congress shall have power to lay and collect taxes, duties, imports, and excises, for revenue necessary to pay the debts, provide for the common defense, and carry on the government of the Confederate States; but no bounties shall be granted from the treasury; nor shall any duties or taxes on importations from foreign nations be laid to promote or foster any branch of industry; and all duties, imports, and excises shall be uniform throughout the Confederate States.

I cite this, Mr. Chairman, only to show the strength of a notion that probably had its strongest support in the fact of slavery, but which, logically, should have disappeared with that institution. I fear, however, that the shadow of the most colossal of all recent mistakes—the late rebellion—hangs over and beclouds the minds of many of the good people of the South, especially on the subject of protection to home industries.

In 1862 there was an internal-revenue tax put upon cotton—largely upon the ground that, as the Southern States had brought on the war for the suppression of the rebellion, but had contributed so little to the expense of maintaining the struggle, it was just, in that exceptional instance, to put an internal-revenue tax upon its chief product. So the tax was imposed, yielding to the Government a revenue of over \$35,000,000 per annum. But on February 3, 1868, under the Administration of President Johnson, that tax was removed by an act which also contained a proviso that all imports of cotton should be free of duty, and from that day to this cotton has been upon the free list. Indeed, so far as customs duties are concerned, it seems to have been so ever since 1847. So far as my investigations enable me to judge, not a single word of protest, or entreaty, or request was ever heard from any Southern statesman from that day to this in behalf of placing cotton on the dutiable list. Whatever feeling there may have been in favor of such a tax, this, like all the other industries of the South, has been sacrificed to the insane prejudice against protection, and because the leaders of the South, having so long been dominated by that argument, have been fearful of their own ascendancy—too fearful of it, indeed, to permit themselves to come up with any demand for protection for cotton. My friend from South Carolina [Mr. McLaurin] stands alone, and he only speaks generally and makes no specific motion.

#### SOME GENERAL PROPOSITIONS.

It may not be amiss at this point to advert to a few general principles.

While somebody must contribute to the revenues of the country—must, if you please, pay taxes—in order to support the Government, maintain its foreign service, its vast customs and internal systems of revenues, its Army and Navy, its Judiciary, its generous pension list, its Indian contracts, its magnificent postal service, and pay the principal and interest of its debts, it is essential that our people shall in some way earn the money to pay it themselves or exact it from somebody else in consideration of something which that somebody else wants—such, for example, as the right to enter our markets and sell his products to our people.

If our own people have to pay the necessary money into the Treasury, it is wise statesmanship to provide a way for them to make it; otherwise they can not pay it.

No people can make money unless they can work or do business on some profitable basis. The fact is too universally known for it to be necessary, or even admissible, in this House to give figures to show how much higher and better the normal scale of wages in this country is over that of other countries. If our people can not do the work necessary to make the things we need, the money to be thus earned is lost to them, and goes to some other people alien to us. In that event our people suffer and the foreigner is benefited. We lose; they gain. The fundamental notion of protection is the devising of some plan by which the people at home get the benefit of all the opportunities for these earnings.

Starting with the postulate that if rates of wages were uniform the world over there would be no such struggle for opportunity locally, we are met and confronted at once with the momentous fact that there is a vast difference in rates of wages, and the problem for our statesmanship is, How shall we guard our people against foreign lower wages? The plan hit upon is one which can be maintained and supported by our magnificent home markets, and is to charge on foreign-made products a sum of money (or duty), for the benefit of our Treasury, which shall make their cost, when laid down in our ports, at least as great as that of the same articles made by our people at our wages.

This imposes no tax on what our people make nor upon any product of their labor; but if any tax is paid it is paid on the arti-

cle made abroad and collected for the benefit of our Treasury, in order to keep up the wages of our workingman, so that from those wages he can live like an American citizen and not like a foreign serf. [Loud applause.] This is what we call protecting and stimulating American industries, and what our Democratic friends call taxing them to death. By our system, as shown in 1892, our industrious man gets plenty of work and good wages; by their system, as shown since 1893, he gets little work and plenty of starvation. The American people will take their choice, and it is not believed they will condemn this bill, which seeks to impose our system in place of the Democratic system.

We hear much of prosperity and we all long for it.

It may help us to recognize it when it comes by knowing what it is. I believe it may be correctly described as being that condition of things where every man can, at a fair price, dispose promptly of what he has for sale, whether it be of brawn or brain, whether it be labor or commodity.

If we have it for sale and can sell it readily, and at a fair price, we are prosperous; otherwise not.

The McKinley bill brought this condition of things in 1892. The Wilson bill destroyed it since 1893. If we have a return of that condition, as we hope and believe we shall, it will be proof positive of the superiority of our system over Professor Wilson's.

We are all desirous of bringing relief from present conditions, and it is better to industriously address ourselves to the effort than to waste time in ad captandum speeches. We have done our best to frame a bill that will bring relief alike to Treasury and people.

#### NOTHING SECTIONAL.

That bill, Mr. Chairman, is before us, and in its whole structure is as broad as the United States. There is no section of the country that is not favored or meant to be favored by it. It was my agreeable privilege through the whole time of its construction to urge that every industry in the South of which I had any knowledge that it needed it should be put under the protective influences of the American system. I did this because I felt that that great section of the country had lost by scouting and repelling this advantage; lost by the timidity of her statesmen, who, while they will perhaps in private admit that the protection principle is right, yet have not the courage to come out and say so because of the fearful doom which they apprehend may await them under the prejudices of their people. My friends of the South, we ought to get from under the dominion of these prejudices and fears. If there is any good in protection—and we have seen it demonstrated in the East; we have seen it demonstrated in all the industries of the North—if there be any good in the protection you inveigh against, let us avail ourselves of it in the South.

This bill, taken up by the four corners, will be seen to have protected all sections of the country. It has as carefully protected the fruits and products of California as it has those of the looms of New England. It has as well guarded the wrapper tobacco of Florida and Georgia—and some gentlemen here do not know, possibly, how much some of those constituencies are interested in that thing—as it has that of Connecticut, Pennsylvania, or Ohio. It has equally cared for the monazite and mica of North Carolina, the bauxite of Alabama, the barites of Virginia, the cattle of Texas, the sugar of Louisiana, the rice of Carolina, and all the products that we could think of that needed protection or which anybody suggested as wisely and properly needing it, as anything in the North. There is nothing sectional in the bill, and I am glad of it.

#### COTTON TIES.

But, my friends, you have been deluded—I say it in all kindness—by that specious pretext (there is nothing in it when you come to analyze it) that a tariff is a tax on the commodity on which it is levied, as though it reached anything domestic. If there is anything that can demonstrate the contrary, it is the facts with regard to cotton ties, to which allusion has been frequently made. If the duty imposed is a tax, then certainly the home price of an article ought to be equal to the amount of the cost of its production, plus the rate of duty that is laid upon it. Now, I beg your attention to some statements of fact, the truth and accuracy of which I believe no one will deny. I challenge contradiction of the statements I am about to make. I want to make statements that are strictly accurate, and I want to draw a conclusion from those statements which, if it has any value, must result only from their accuracy.

In 1890 a bundle of cotton ties was worth at the place of production about \$1.25 or \$1.30. In that year the McKinley tariff imposed upon cotton ties a duty that was equivalent to about \$1.03 per bundle. Now, if it be true that a tariff duty is a tax, then naturally, logically, inevitably, the price of that bundle of cotton ties ought to have been \$2.28 or \$2.33. Can anybody cavil or dispute about the logic of that conclusion? But what was the fact? After the duty was imposed upon cotton ties—when protection was accorded to that industry—the manufacture of cotton ties in the United States was so stimulated that the price actually went down to 80 or 90 cents per bundle under home competition, and it never rose again until the Wilson bill restored cotton ties to the free list, after which the price went back in 1896 to \$1.40.

And so surely has the passage of this bill now before you been forecast by the business world, a gentleman in this House, under the certainty that this bill will be passed, assures me he will contract now to deliver to any man interested in the cotton-tie trade 5,000 bundles of cotton ties at 65 cents a bundle. [Applause on the Republican side.] If anything can demonstrate the absolute valuelessness of the argument that a duty is a tax, it is such facts as I have stated.

I might refer to a similar demonstration which has been afforded in the instance of steel rails and in tin plate. I believe to-day, Mr. Chairman, there is not a manufactured article coming from the workshops of America under the benign influence of the protective principle which is not cheaper by 75 per cent than it would have been had it not been for the adoption of that principle—not one. There is, therefore, no room to doubt that a tariff duty is not always a tax. And when men talk of a tariff being a tax, they talk without judgment; they talk under the impulse of strong political bias; they talk under the influence of mere feeling, enthusiasm, and exaggeration. They do not talk according to the facts of the case or the dictates of sound judgment. Instead of tariff rates being taxes to increase the price of products, except in case of the luxuries we do not produce in this country, and which ought to bear a tax, protective tariff rates, in every instance where the industry has been established, have lowered the price of the article by the home competition among our own manufacturers. It was so in cotton ties. It was so in tin plate. It was so in steel rails. It was so in nails and cutlery. It will be so in case of every great manufactured article, because, if protected properly, we can make all we want at fair prices and still pay American wages, which, after all, is the matter of prime importance, for that gives our great laboring class money to buy and pay for other products, and thus contribute to general prosperity.

Again, my friends from the South, let me say that I will be glad to go with you, not into any mere antagonistic discussion of this great question, but I would like to sit with you and reason about it; I would like to discuss with you in friendly fashion the real facts bearing upon it. I do not care about indulging in rodomontade or mere partisan declamation in the consideration of a question of this character. I do not desire to take into consideration or go into a discussion of the question of the great disaster that will come on the country if you put a duty of 10 cents rather than a duty of 5 cents upon a particular article! That is mere exaggeration and there is no logic in such a discussion as that. But I have wanted to get at the principle upon which the bill is based, to reason with you upon that, and to show what I regard as a proper working of that principle in this bill.

#### TRUSTS.

The cry of trusts and combines, the claim that the tariff rates certainly add to the price of the poor man's necessities, and all kindred humbugs will be unavailing, and should be remanded to the hustings where the gentle demagogue hopes to fool his home rustic. They are out of place here, because if there should be some increase of the prices of things, and particularly some increase of the demand for things, it is just what everybody wants. It is what is necessary, so the increase extends all around. One man can not reasonably expect to get a higher price for his commodity while everybody else suffers a decline. If all go up equally, it will be because greater labor has given greater purchasing power and greater demand for everything.

The great bugaboo in this debate and in others has been trusts, and the charge is made that protection fosters and encourages trusts and great combinations of capital which oppress the people. Whether so-called trusts be good or bad, one thing is undeniable and undeniable, namely, that they originated and still flourish in free-trade England. It is clear, therefore, that as they exist alike in England and the United States, some other cause than a protective tariff produced them. For the present this fact is useful to show the lack of candor in those who make the charge. Trusts have in truth nothing to do with the case, except that they are made use of as vehicles of misrepresentation and invective. If they are bad, we have statutes to enforce against them. If those laws are inadequate, amend them; but stop the false imputation that protective tariffs foster them.

The tariff has nothing to do with their creation. They originate in causes entirely outside of tariff duties; and because some of them flourish is no more a reason for abandoning duties than would the existence of a "moonshine" distillery be a reason for removing the tax on whisky. In one case the trust, and in the other the moonshine distillery, springs up possibly in disregard of law, but for the same reason, namely, a desire of the promoters to make money. Trusts are great combinations of capital in comparatively few hands which impede the chances of success of weaker combinations or individuals who may be rivals; but luckily in this country conditions have been so fortunate so far as to compel the great trusts to market their products at very greatly lowered prices. For example, sugar was never so low as the sugar trust has sold it; nor was coal oil ever so low as the

Standard Oil Company put it. While we should sternly hold trusts in check, these facts show that tariff duties have not fostered them.

#### SCHEDULES.

When we come to make the schedules, to do so properly involves difficulties. Any person who has had to do with their preparation knows that to be a fact. Then comes the real trouble that men unfortunate enough to be engaged in that work have to encounter. Then it is that selfishness comes into play. When people specially interested appear before the committee and want some advantage given to a particular interest, then judgment and discretion must be exercised as against appeals intended to excite sympathy. Then it is that care must be exercised in the consideration of appeals that have a tendency to influence us against what we believe to be the true theory of the protective principle. Then it is that the specious and not unnaturally selfish plea of raw material must be resisted. Now, what is it that you ought to have constantly in mind in determining the details of a proper system of tariff legislation? It is the great principle, with which all are familiar, that a protective duty is to be levied on articles which we can grow or make here at least equal to the difference between the cost of making and distributing them in this country and the cost of their growth or manufacture in some foreign country. Now, when anybody wants to impose a duty higher than that, or to place a duty on an article which gives it greater protection than the difference in cost, it ought not to be done. The appeal should be rejected unless in a most exceptional case. When we come to the schedules, therefore, and have to meet these appeals and the contest of rivals, especially over so-called raw materials, we have a very stern duty to perform. We have been able, I hope, to guard against injurious discriminations on this account. We have had the friends of the sugar trust before us, also those of the Standard Oil trust, and of Armour & Co., but I can confidently assert in refutation of what has been suggested during this discussion, that in not a single instance have these appeals had any influence on the mind of the committee in framing this bill. [Applause.] On the contrary, they adhered with absolute strictness, as far as in them lay, to the principle laid down, subject always to the infirmities of human judgment and the liability to error of the human mind.

Furthermore, Mr. Chairman, in considering the free list we had regard to the other principle, and also in other schedules as well, that where anything was an article of luxury, it was a proper subject for raising revenue upon. We addressed ourselves also to the task of raising revenue, and as far as it was practical to do so, we have placed a higher duty upon luxuries than upon other articles, especially the necessities of human life. The duties on luxuries do not often or at all affect the common people; as a rule they will affect those only who have money to pay and are willing to pay for luxuries. Those duties can not affect those who have no money to pay and consequently they have no interest in the duty upon them, and if you see proper to call duties upon this class of articles, if we do not produce them at all, a tax, you are not far wrong. Knowing the great necessity for raising revenue for the support of the Government, we nevertheless kept in view steadily the true principles of the Republican party with reference to a protective tariff. It may be that some duties were made higher than they ought to be. But we could not ignore the facts as we found them; we could not fail to consider them; we needed revenue in largely increasing quantities, and we had to frame the bill with a view to meeting that condition as well as the need of protection.

I have not risen to reproach the Democratic party generally, nor to animadvert upon the shortcomings with which they have been charged in connection with the condition in which the country finds itself. That would do no good now, nor am I here to revamp any speech made by me during the late campaign. I want to support and explain the work of the Ways and Means Committee. We have endeavored to deal kindly, fairly, and intelligently with all of the questions demanding our attention.

Hereafter we have got to consider this bill in detail; we have got to consider it paragraph by paragraph and line by line, and all will be called upon in time to take part in the discussion of the matters as they come up. Then it is that we shall have an opportunity to explain and state the reasons why many provisions of the bill are inserted which it may not be practical to consider in the general debate now progressing.

We had before us in the preparation of the bill the most expert of the custom-house officials, in order to have the benefit of his experience and judgment in recasting the language of the bill. In some cases we found in the Wilson bill language greatly superior to that employed in the McKinley bill, and without hesitation we adopted it where it could be done with profit to our bill, and I believe there was never a revenue measure framed in the House that had less of prejudice involved in its preparation than there was in the preparation of the bill which the House is now called upon to approve or disapprove. On the contrary, with an earnestness



of purpose that I have never seen surpassed, we have worked night after night, and day after day, anxiously desiring to get that bill, as far as we could, into a perfect state; and while many of us doubtless did not agree and could not agree to each and every one of its provisions, upon the whole we have presented to this House and to the Committee of the Whole a bill that will stand the test of any discussion and any intelligent criticism of its main features.

#### THE FARMER.

And, Mr. Chairman, I want to express the profound conviction that there is no class of our community whose interests have been better protected and guarded than the farmers. There was no man upon that committee, so far as I know, who was not willing to accord to the farmer all of the protection he deserves, full measure and running over, indeed. Many of us were farmer boys. I go back to the farm myself. I was born on a farm. The farm has always been dear to me, and there is nothing about the farmer that I can not sympathize with. As much as any class of our people, the farmer depends upon the good that comes from protection. If the people who labor are prosperous, the farmer can readily and profitably sell his product at good prices. Otherwise he can not and suffers. Now, I should like to ask my friends from Texas if they think there should not have been some sort of a protective duty levied upon cattle? I should like to know if it was a tax, in an offensive sense, to guard by a customs duty the great plains of Texas against the incursions of the cheap Mexican steer. I should like to know if it is an offense in their estimation to protect the great wheat and corn fields of Texas against any possible corn crop or wheat crop that may be produced in Mexico by the peon labor of Mexico.

We have put a duty upon cattle that may be too high or may be too low, but we have carefully investigated the subject; we have felt that Texas needed protection for her cattle; we have felt that Texas was as much entitled to that, with its 100,000 Democratic majority, as the State of Kentucky, with its 265 Republican majority. [Applause.] I believe that no Texan here would be so untrue to the Lone Star State as to say that we did wrong in putting a protective duty upon cattle, or corn, or wheat.

So it is upon the Canadian border. It is true that the farmer who raises corn in my State, or in any Central State, or who raises any crop in a Southern State, may not be materially injured by competition from Canada; but we can not frame a tariff bill without having some regard for the people who live along the great stretch of border land from the coast of Maine to the coast of Washington.

We know that, extending for thousands of miles, there is another country on the other side, largely separated from our own country only by an imaginary line, but sometimes by a lake or river of easy navigability.

We must guard the people who have to pay American wages for their labor against the cheap products of Canada, where they do not pay what we call American wages.

And while it is true that possibly the influence of that protective tariff is not felt very far from the Canadian border, yet if we allowed Canada to come into the United States and compete with our farmers upon equal terms, it might be that those farmers along the border would push a little farther down upon their neighbors and those in turn farther down, until the corn of Canada, and the wheat from Canada, and the produce from Mexico might exert a very material influence upon the prices of products of like character far in the interior of our country.

So that we had to consider all those things, and the members of the Ways and Means Committee, looking at the existing condition of things, not being bounded by any little selfish interest, not considering simply the welfare of their own constituents, but endeavoring to have in mind the interests of the people of the whole country everywhere, regardless of politics, regardless of race, color, or previous condition, have done their best to give to this House a bill that will meet with the approval of the people of the country.

#### PROSPERITY—REAL FACTORS.

We know that if prosperity is about to dawn, it has not yet come in full tide. We know that prosperity was upon us in 1892-93, and without inquiring into the cause of the change we know that from 1893 to 1897 there was something—whether you call it a lack of prosperity or hard times—we know there was something that was hurting the American people almost beyond the power of endurance. We know that in 1892 our industries flourished, while those in Europe languished. We know that since 1894 Europe's industries have flourished, while ours have been smitten with fateful paralysis, and it was the great mission of that committee to endeavor to do something that would relieve this situation, that would relieve the stress of these hard times, that would relieve the severity of those disasters that in some way or form, or from some cause, had undeniably come upon the people of the country. They have endeavored to do this. And whether McKinley's inauguration immediately brought back prosperity or not, whether that event could with magic wand invoke a

return of the prosperity that was upon the people in 1892, we profoundly believe that if prosperity does come to the country, if there be a restitution of the good times that certainly existed in 1892, if they come to the men, women, and children of the land, it will, in our judgment, be under the operation, the benign and beneficent operation, of the bill now under consideration by this committee. [Applause on the Republican side.]

I would not prophesy upon either side of this great question. While I certainly would not allow myself or my imagination to run away into prophesying everything that was disastrous if the bill should fail, while I would not join in a witches' dance around any caldron from which was expected to come only evil from the rejection of the proposed measure, I would at the same time avoid the counter-exaggeration upon the other side of leading the people to expect that instantly upon the inauguration of McKinley and the enactment of this bill we should see enterprise blossom as the rose, every furnace put into instant operation, or every man who did not have work now get it at once at increased wages.

If these great results come, as we believe they surely must and will at last, it were better that they came in a natural way. Then, God willing, they will come to stay. Then they will build up the waste places, and smiling plenty will feast the land.

It were better that we should have no booms. It would be better when prosperity does come, when good times do again visit business, that they should come permanently; and if this bill is passed in anything like its present shape, if no other delusion come over the minds of the people, in my judgment it will gradually but surely bring back such times, and the American people will wait long before they will again be smitten with such a delusion, misfortune, and blindness as overcame them in the summer of 1892. [Loud applause on the Republican side.]

I should close now if I did not fear that no opportunity would be reached of discussing some other features of the case.

I submit, Mr. Chairman, that what we want to do is to start our people to work, and we hope this bill will help to do it. In 1892 we were at work. Europe was idle. In 1896 Europe was at work, and we were idle. We want to change this so far at least as to get work for our own people. We can not do it unless our industrial enterprises are in some way stimulated into a life and activity that they do not have now. Our opponents here still expend all their time talking about taxes. Everything we propose to do they say will be the imposition of a new and additional taxation. We remind them that we are putting no taxation upon any article which is, in fact, produced in this country by the labor of our own people. We show them by every instance that, instead of this protection increasing the price, it has reduced it by the vigor of home competition, which restrains prices within reasonable bounds, as I have shown, as an apt illustration, it did in the instance of cotton ties. In short, we only attempt to encourage the production here by our labor, and as the result of our enterprise, of the same kind of articles, by putting a duty upon them when produced elsewhere. Instead of putting a tax upon our home products, we only protect and encourage the efforts of our people to produce here. We would simply erect a barrier against the influx of cheap foreign products which would break down our own industries. The duty that we would impose should be such as would equalize the cost of production and distribution of the articles, so that the foreigner shall not have the full benefit of our markets on better terms than our own people can get them under our rates of wages.

The Democrats persist in calling this taxation, but we insist that it is protection. The people have made and can maintain their choice between these two contentions. It is clear that if we all work at good wages we have purchasing power in our own people for all of our products at fair prices, and this condition of things we rightly call prosperity; but if we do not work, or if we work at poor wages, our purchasing power is curtailed, and that curtailment is the very essence of hard times. I shall not read tables to show the differences between our rates of wages and those of other countries. Everybody knows that those differences exist as well as they know the multiplication table. My only fear on the subject is that unless we shut out newcomers to a very great extent we shall soon have so much competition for our present laborers as to greatly decrease wages. I am in favor of maintaining wages, even if we have to curtail immigration, for I would prefer to see our present number of laborers getting good wages than for other countries to increase our force of laborers and diminish our rates of wages.

#### STRIKES.

Our opponents have said a great deal about strikes, and charge them up to the doctrine of protection. It is true that in prosperous times strikes are more frequent, but this is because labor feels independent and more inclined to take risks and to do as it pleases with the employer; but in times like these the most valiant laborer is afraid to strike. His wages are lowered, but it is better, in his estimation, that he should submit to the decrease, because nothing better offers itself, and he fears, if he loses the job he has, it will be without hope of finding another.

## SPECIFIC VS. AD VALOREM.

A practical question we have had to consider has been whether duties should be levied by specifically designated rates, clearly showing their subject and amount, without any person having any advantage in the race for low valuations, or whether the rates should be fixed by the value placed upon the article at the custom-house. One of these systems might be as good as the other if we could fix valuations by an accurate and perfectly reliable rule, but in the nature of the case values at the custom-house are largely fixed by persons most interested in keeping them at the lowest point. The system of ad valorem rates has been the cause of enormous frauds through false affidavits and fabricated invoices, and the particularly corrupt system by which foreign manufacturers and others consign goods to their own agents here, whereby they can invoice them at their own prices, whether it be the real value or a fraudulent one. The Ways and Means Committee of the Fifty-fourth Congress heard a great deal of testimony on this subject, and became thoroughly convinced that the most extensive and injurious frauds were perpetrated by reason of ad valorem rates, the loss of revenue on some of the schedules alone amounting to millions of dollars. There is little, if any, difference of opinion on this subject among customs officers, who are practically acquainted with the actual operations of the law, and the value of the specific as against the ad valorem mode of assessing duties was never more strongly demonstrated than by the report of the late Secretary Fairchild. Specific duties have always been the favorite method of Republican Congresses, and that method has been pursued in this bill wherever it was practicable. In some cases, where values were very various or rates impossible to fix in specific descriptions on a just basis, ad valorem duties are unavoidable.

Take, for example, the pottery schedule as the most notable instance of the impossibility of fixing specific duties.

## RAW MATERIALS.

But, Mr. Chairman, the greatest difficulty is always found in the conflict—sharp conflict—between producers of what are called raw materials and the manufacturers of the so-called finished products. Oftentimes when one man desires to use a lower form of product out of which to manufacture a more highly finished and expensive article, he calls it his raw material, and if, as is often the case, he is very selfish, he at once begins to clamor that his raw material shall come in free. This clamor, while not invented by the late President Cleveland, was immensely increased in vehement resonance under his insistence. But what is raw material? The ore is the finished product of the miner; it is the raw material of the furnace. Pig iron is the finished product of the furnace, but it is the raw material of many other manufacturers. Corn, wheat, etc., are the finished product of the farmer—finished by his labor and toil—but they are the raw material of others. And so on through the whole list. When any selfish interest appealed to us for free raw material we had to inquire whether his raw material was the finished product of some other producer in this country, and remind him that that protection would be class legislation indeed which protected one man in our country at the expense of all his predecessors in labor and production. The true doctrine which we have continually tried to keep in view, whether always able to precisely and ideally adjust it or not, has been to grant protection wherever needed to give our people work, and our capital means of employing labor, so that our people might be busy, and our own country prosperous by reason of that employment as the true source of it. We have not been deterred by the constant iteration of the word tax as falsely applied to our protective duties; for we knew two things, namely: First, that such talk had already fooled our people once too often, and second, that there was never a protective tariff law passed in this country that did not bring prosperity, nor a free-trade tariff that did not bring hard times. We knew that history would verify this statement.

## WOOL.

I shall only say of the woolen schedule that it is substantially the same as in the McKinley bill. Under that bill our country flourished as never before, and with its displacement came disaster and all our woes. None suffered more than those engaged in the wool industry, unless it were those engaged in the manufacture of woollens. If the people ever plainly announced their command to any Congress it was that this Congress should reenact a protective tariff law closely approaching in its provisions the McKinley law, and we have endeavored to obey that behest in the woolen schedule. We restored the McKinley duty on wool, and that involves both the protective and the compensatory duty on woollens. Until the compensatory duty is added, the protective duty does not begin on woolen manufactures. Briefly, the compensatory duty means this: Our foreign competitors in woolen manufacturing have access to washed and scoured wools. We have not that access as long as we have a duty upon wool, for those wools do not come in. The wools we import into this country contain enormous quantities of dirt and grease, amounting sometimes to

as much as 60 per cent or over. Many times it is less. This dirt all pays wool duty. Unless there is compensation for this loss in the duties imposed on woollens for manufactures, any fair-minded person would see at once the trouble our woolen manufacturers would encounter.

## TOBACCO.

And so I might say as to tobacco, for that schedule is not far from what it was in the McKinley bill when that bill was passed by the House in 1890. As this schedule advances some of its items above the Wilson bill rates, and as there has been industriously worked up through the efforts of a few of our cigar manufacturers on the seaboard some exaggerated fears about the results of those advances, it may be proper to go into the subject with care and fullness. And right here has appeared one of the most glaring instances probably in the whole bill of that selfish claim for free raw material, so called, as against the producer of it.

With the expectation that the duty on wrapper tobacco should be \$2 per pound, the McKinley bill, as it passed Congress, fixed the duty on cigars at \$4.50 per thousand, and in addition 25 per cent ad valorem. The Wilson bill fixed it at \$4 per thousand and 25 per cent ad valorem. We restored the McKinley rate on cigars in this bill as compensation for the increase on tobaccos. It may be confidently stated that few, if any, industries are more generously protected than that of the cigar maker, nor has anywhere the result been to reduce importations in greater proportions. Out of 4,238,000,000 cigars consumed in this country last year, only 37,000,000 (less than nine-tenths of 1 per cent) were imported, showing how well our cigar industry is protected. We have not interfered with that protection otherwise than to restore the full amount of the McKinley rates, fortified as they are under the present law by an internal-revenue tax of \$3 per thousand on all cigars, domestic and foreign. But while thus highly protected, some few of the cigar manufacturers have insisted that the farmer, who grows filler and wrapper tobacco, shall not be protected at all, in order that they might get their so-called raw material free, or at least at a low duty.

This may be business, but it is not Americanism, and I do not believe it will strike the great body of cigar makers themselves as being either fair, just, or generous. In this country we raise tobacco suitable for wrappers and fillers in many portions of the United States, largely, indeed, in Pennsylvania, New York, Ohio, Wisconsin, and Connecticut, and in rapidly increasing quantities in Georgia and Florida. The growers in those, and perhaps other sections, insist upon a much higher duty than we have fixed in this bill. On the other hand, in recent years a Netherlands syndicate has established very extensive plantations in the Island of Sumatra, where, at comparatively trifling cost, they raise large quantities of tobacco of a pretty color and extremely thin but tough-fibered leaf, which has become a fad for cigar wrappers. It is a most remarkable weed, and 1 pound of it will wrap 500 cigars, some two or three times as many as the best American or Cuban wrappers. It is worth in the market over 75 cents per pound in bond, while our farmers get less than 20 cents on an average.

Upon this tobacco the syndicate referred to has earned most astonishing profits, as shown by the evidence, and a large proportion of those profits were made from its trade with the United States, which is one of its largest and most valuable customers. This tobacco is extensively used for wrappers, and supplants enormous quantities of American-grown tobacco, probably nearly as good, but not quite so fashionable, and thus throws out of profitable employment a large number of American farm laborers. While the committee did not deem it wise to go to the extent the farmers asked in the way of protecting their industry, it was, after most careful consideration, deemed best as a fair adjustment to restore the McKinley rate of \$2 per pound on wrappers, as against \$1.50 per pound under the present law, and then raise to the McKinley rates the duty on cigars. If we had supposed that this would cause the cigar maker any serious loss, we would have refused to do it; but we did not, and do not doubt that the Netherlands syndicate will stick to this most profitable market; that it will itself retain the market by paying the additional duty, as is done and as the foreigner can afford to do in many similar instances in other lines. The syndicate may not make quite as much profit from our people after this, but our cigar makers will lose nothing, and our Government, so much in need of revenue, will be largely the gainer. The Government will divide to some extent the profits with the Dutch syndicate. And in considering the whole question, it must not be forgotten, that the tobacco we use in this country in making cigars is always about three-fourths American product. The farmer needs protection for this, and should not be sacrificed to the foreigner or any rival home interest, even on the plea of raw material.

As to Cuban wrappers and fillers, I desire to say a few words. The facts about them present a most remarkable state of case. The duty on wrapper tobacco of every kind of course included Cuban wrapper and the duty on filler, which under the old law was 35 cents per pound, also included Cuban, the law making no distinction in language between tobaccos grown in different countries.



The Cuban farmers pack their crops in bales promiscuously, without assorting or culling it, including in the same bale tobacco suitable for wrappers as well as that fit only for fillers, although, in point of fact, nearly one-fourth of it is usually suitable for wrappers. To meet this habit of the Cubans, the McKinley law provided that if in any bale there was any quantity of tobacco suitable for wrappers it should all pay the wrapper duty of \$3 per pound instead of the filler duty of 35 cents per pound. Under some curious influence, particularly the shrewd arguments of the Florida importers, the general appraisers construed this to mean that if there was an "appreciable" proportion of the contents of the bale suitable for wrappers the wrapper duty should be assessed, otherwise not, and thereupon proceeded to hold that less than 15 per cent was not an appreciable quantity. This was a most astonishing ruling, but it so pleased our opponents that they accepted it as sound, and expressly adopted the idea in the Wilson bill. What has been the result? Mark the statement well. From Cuba in the fiscal year 1898 there was imported 26,749,911 pounds of tobacco, of which only 22,406 pounds, or less than one-twelfth of 1 per cent, was rated at the custom-house as suitable for wrappers and assessed with wrapper duty. Yet in Florida alone the cigar manufacturers used Cuban wrappers on 120,000,000 cigars made there and the rest of the country used Cuban wrappers on 60,000,000 more. All of the wrapper thus used except the 22,406 pounds escaped the wrapper duty of \$1.50 per pound.

Was there, Mr. Chairman, ever so palpable a fraud perpetrated on the revenues of the United States? It is demonstrated by the figures, which show that 180,000,000 cigars were wrapped with 22,406 pounds of Cuban wrappers. It is estimated that by this fraud alone the Government lost millions of dollars, and that the Key West and other seacoast manufacturers got the benefit of it all. Those in the interior got none. Indeed, they used but little of it. One most reputable firm in my district, which in 1896 made 6,614,000 cigars, used tobacco in the following proportions: Habana filler, 7½ per cent; American or domestic filler, 92½ per cent; Habana wrapper, 2½ per cent; Sumatra wrapper, 93 per cent; domestic wrapper 4½ per cent.

This firm got no benefit of the seacoast frauds on the revenues of the country. It was in view of facts like these that the committee considered it wise not to foolishly attempt to collect wrapper duties in name only on Cuban tobaccos, and subject the custom-house to such ridiculous frauds as I have mentioned, but to endeavor to get the aggregate amount of revenue which the Government ought to get by putting a round duty of 65 cents on fillers, and compel its collection in spite of the ingenuity of the Florida evaders of the law under the remarkable ruling of the custom-house officials. Foreign-grown tobacco is a luxury, and was thought to be an especially fit subject for revenue, and our home article was regarded as especially worthy of protection. We have tried to reach both objects, knowing that for a few years the duty on Cuban used was likely to be somewhat immaterial, as little was likely to be produced because of the war, and knowing also that now was a good time to encourage the American industry of growing these fine tobaccos.

In all this there were four things to be considered: First and most important, the Government, which so greatly needs revenue; second, the grower, who needs protection for this product of the farm; third, the cigar manufacturer, whose protection is certainly ample, and who, therefore, should not make the grower a victim on the score of raw material; fourth, the consuming public, who should not have duties so high as the other interests in different ways insist. The committee have tried to consider all of these various interests the best we could, and the arrangements made are the best and most equitable the committee could devise in its efforts to deal justly with all, without special favor to any one at the expense of the other.

## SUGAR.

Now, on the sugar question. Some talk is made about the consistency of the one party or the other in the discussion of that question years ago. Both sides may have made exaggerated speeches upon it—those upon one side and those on the other. But although Mr. Cleveland has departed from power, although when he departed the party that put him into power was ready to throw, not the benisons of good will after him, but the hoots and scowls of scorn and contempt, still Mr. Cleveland said one thing that comes into my mind now, namely, that it was "a condition and not a theory that confronts us."

It is indeed a condition that confronts us now. Look at the revenues of the country! If in the Wilson bill there had been a proper arrangement of things, there would have been no deficit; we would not now be \$200,000,000 behind in revenue nor borrowing money with which to run the Government exceeding in amount all that it cost the Government to run for the first sixty years of its existence. We have had to borrow this money in time of profound peace. We had no means of raising sufficient revenue. We have come to the practical part of that question: How shall we raise that large amount of money?

Now, one of the chief sources of raising revenue is sugar. The

people of this country had repudiated one idea, and the Republican members of the Committee on Ways and Means recognized that repudiation and did not intend to run against it. They had repudiated the idea of paying a bounty on the raising of sugar. Instead of that, therefore, inasmuch as all of us believe that the people of this country can and should raise all the sugar we need, we determined that the best thing to do was to put a duty upon it, not merely for the purpose of protection, but also for the purpose of raising revenue.

Mr. Chairman, I am one of those who believe that in the broad confines of the United States, with its infinite variety of soil and climate, we can raise and produce almost everything for which polar and tropical conditions are not necessary; and I am one of those who believe, also, that the genius of the American workingman and the enterprise of American capital are equal to the production of anything whatever that the art of man can contrive. In this matter of sugar, we believe that the people of the United States could produce all that is wanted if the industry is adequately protected and encouraged. While it may be that orators upon this floor, who have more regard for dramatic effect than they have for candid statement, may tell us of the horribleness of imposing a duty on sugar, I challenge contradiction of the statement that the duty imposed by the Wilson bill was meant to be almost if not precisely the same as this bill puts upon sugar. If you will remember, sugar was very much higher then than now. It was higher at that time than to-day, and a duty of 40 per cent was intended to raise revenue upon each pound of sugar that would equal the duty we impose upon it now. With a view to the revenues of the country, and with a view to encouraging and promoting the raising of all the sugar we need in this country, we attempt to restore the duty that was meant to be put upon sugar then.

Taking, therefore, raw sugar of a saccharine strength of 96°, which is the average brown sugar of commerce, as a basis, we put a protective and revenue duty upon it of \$1.75 per 100 pounds and raise or lower the rate as the grade of raw sugar goes up or down from that point, so as to make the duty on the real saccharine strength—that is to say, on the real sugar in the mass—precisely the same on all raw sugars.

But it costs something to refine sugar. The precise amount of that cost nobody who accurately knows, not even the refiner, would tell us, but we know the work can not be done for nothing. The best information we could get was that it would average not far from 35 cents per 100 pounds to do it. It costs possibly a little less to do it in other countries, say 12 or 15 cents per 100 pounds less, and so we put an additional duty on refined sugars of one-eighth of 1 cent per pound to protect the refiner, by making refined sugar cost the foreign manufacturer, when he lays it down in our markets, as much as it costs our refiners, and at least prevents him from having an advantage over them in doing the work. So that while the duty on raw sugar of 100° of saccharine strength is \$1.75 per 100 pounds, the duty on refined sugar is always \$1.87½, equal to one-eighth of a cent per pound more than the highest grade of the raw. This one-eighth of a cent increase on refined sugar is commonly spoken of on the outside as the "differential" duty, though the law uses no such term. It is really protection to the refiner to the extent I have stated, viz, to the extent only of the difference in cost of refining.

We have been somewhat amused at the criticism of the unthinking upon this part of the sugar schedule. Some very gravely inquired as to the duty on refined sugar of less degree than 100 per cent of saccharine strength. Such critics should know that all well-refined sugar has just 100° strength—that is, it is pure. Refining only removes the impurities, and 100° is as high as it can go, and it always as nearly goes there as human effort can make it. That is the perfect mark.

The bill reads at this point as follows:

And on sugar above No. 16 Dutch standard in color, and on all sugar which has gone through a process of refining, 1.875 cents per pound.

There is no inducement to inadequately refine sugar, because if it has gone through any process of refining at all the rate of duty is the same, viz, \$1.87½ per hundred pounds, and nothing can be gained by it. There is no object in refining sugar except to get out the impurities, and thereby improve its color and appearance, and when this is done it never, in fact, varies materially from the 100-degree point of strength.

Some critics, whose gravity greatly exceeds their information, entirely forget these facts, and, further, that in refining sugar it loses very greatly in weight, while it gains in purity. For example, 100 pounds of 96-degree sugar will refine to about 92 pounds, while 100 pounds of 75-degree sugar would probably refine to less than 70. These critics claim that the so-called differential is largely to the benefit of the sugar trust on low-grade raw sugars, as though there were any low grades of refined sugars to correspond to those of the raw. In truth, the so-called differential should be and was fixed simply to protect the manufacturing refiner to the extent only of the difference between the cost of the work of doing it here and that of doing it abroad. We have tried so to limit it

In proportion it benefits the American Sugar Refining Company (the so-called sugar trust) no more than it does any of the other American refiners of sugar, many in number.

Our friends on the other side ought to remember that the sugar trust is not satisfied with this protective differential. Quite the reverse is the fact. It has now a much better thing under the Wilson law, where it has the one-eighth differential or protection openly given, and a further protection called a concealed differential in the ad valorem rate of duty all round on all sugars, raw and refined. Thus at the time the Wilson bill was passed raw sugar was worth about \$3.75 per 100 pounds, which, at 40 per cent ad valorem, yields a duty of \$1.50, while the refined was worth about \$4.50, on which the duty would be \$1.50, or a difference for refining of 30 cents.

In that way, when the bill was passed (though it is much less now since sugars have fallen), the sugar trust and all the refiners were protected to the extent of 12½ cents, the expressed differential, and 30 cents, the concealed differential; in all, 42½ cents protection to refiners was given by the Wilson law. The aggregate differential to-day is about 23 cents per hundred pounds. We limit it to 12½ cents in our bill, and yet we are charged with gratifying the sugar trust. Not much. We had no doubt that we ought to protect the production of sugar in this country. Either from cane or the beet we can in a few years, under protection, produce all the sugar we need. Cane-sugar production can be greatly extended, and if Germany and France and other northern European countries can produce such enormous quantities of beet sugars, why can not the magnificently fertile fields of our vast country yield abundantly all we want? They can do so, and it would be absurd not to try it and thus give our own people the labor and the profit of doing it. So we might go through all the schedules.

HEMP.

I do not say that everything in the schedules is precisely what I would like. On the contrary, down in my country there is one article I wanted protected better than it is, namely, hemp. I fought for it the best I could, and the duties put upon it in the bill would be ample were it not that jute is on the free list. I did not think that jute, the natural enemy of hemp and flax, the extremely cheap-labor product of India, the facile fraud that bears the same relation to hemp and flax that shoddy does to wool, should any longer ornament the free list, especially as we could produce here every ton of it we needed. It had not long been on the free list, and I thought it should be taken off. I thought that this back door should not be used in an attack on hemp and the hemp industry, which formerly so flourished; but my colleagues differed with me on the ground of raw material, and particularly that the industry of raising it here was not successfully established. I offered an amendment to that effect, but it was not agreed to. I sincerely trust my fears of harm to hemp and flax may prove groundless. I also hope the defect may yet be corrected by a duty of a cent and a half on jute.

I do not stand here, as a comparatively young member of this House, to array at this time my judgment, even as to jute, against those who have had longer experience. I was afraid that the stress and pulling of adverse interests in this connection had twisted the bill a little out of shape at this point, under the plea of raw material made by jute manufacturers. But be that as it may, take the bill as a whole, from beginning to end; read it carefully, gentlemen of the committee; look at its effort to protect American industries, and to stimulate the business of the country; or regard it from the standpoint of revenue, and I think you will agree with me that in the not far distant future the verdict will be that no bill was ever presented to Congress by the Committee on Ways and Means that had in it more that ought to commend it to the sound judgment of the people of the country. [Loud applause on the Republican side.]

### The Tariff.

### SPEECH

OF

HON. EDWARD D. COOKE,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, March 29, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. COOKE said:

Mr. CHAIRMAN: It is not my purpose to enter upon a general discussion of the pending bill, but simply to call the attention of the Committee of the Whole, as well as that of the members of the Committee on Ways and Means, to the great interest which is felt

by the people of Chicago in the schedules of the pending bill, so far as they relate to books, engravings, photographs, scientific periodicals, and educational apparatus, especially such as are imported for public libraries, and those used by the blind and in colleges, schools, and seminaries of learning.

Without taking up the time of the committee, I submit to be printed as part of my remarks a letter from Mr. J. V. Cheney, librarian of the great Newberry Library, of Chicago, and a letter in the nature of a memorial from A. C. McClurg & Co. and others, including President William R. Harper, of the University of Chicago; Mr. Clement W. Andrews, librarian of the great John Crerar Library, and Mr. Fred. E. Hild, librarian of the Chicago Public Library.

As I consider the suggestions and arguments set forth in those letters to be much stronger and clearer than anything I could say upon the subject, I insert them in full. I also insert in the same way a letter from Hon. E. G. Halle, president, and Hon. W. A. S. Graham, secretary, of the board of education of Chicago, bearing upon the same subject, with the earnest hope that the committee may by amendment grant the requests thus made.

The letters I have referred to are as follows:

CHICAGO, March 25, 1897.

SIR: In the pending tariff bill the following classes of books and kindred articles are omitted from the free list, in which list for several years they have been included:

"Books, engravings, photographs, bound or unbound, etchings, music, maps, and charts, which shall have been printed more than twenty years at the date of importation, and all hydrographic charts, and scientific books and periodicals devoted to original scientific research, and publications issued for their subscribers by scientific and literary associations or academies, or publications of individuals for gratuitous private circulation, and public documents issued by foreign governments.

"Books and pamphlets printed exclusively in languages other than English; also books and music in raised print, used exclusively by the blind.

"Books, maps, music, lithographic prints, and charts, specially imported, not more than two copies in any one invoice, in good faith, for the use of any society incorporated or established for educational, philosophical, literary, or religious purposes, or for the encouragement of the fine arts, or for the use or by the order of any college, academy, school, or seminary of learning in the United States, or any State or public library, subject to such regulations as the Secretary of the Treasury shall prescribe."

These omissions reverse much of the policy under which the Government has for some time permitted and now permits the importation of such books and kindred articles as could not materially compete with American productions.

The undersigned greatly regret, and therefore protest against, these changes as needlessly burdening libraries and scholars, as tending to impede the general diffusion of knowledge, and as interrupting the course of business without promising any compensating advantages to the national revenue.

Neither a regard for the policy of protection to American industries nor a solicitude for increased revenues would seem to dictate a change of policy in regard to these slight exemptions. Those of the signers who are engaged in the manufacture and publication of books see no danger to their own interests in the introduction of such books as those named free of duty, and it is our belief, on the other hand, that their subjection to duty charges at this time will result in a practical suspension of such importations, so that the United States revenues will not be increased.

A. C. McClurg & Co.; Scott, Foresman & Co.; Donahue & Henneberry; W. B. Conkey Company; E. B. Myers & Co.; Herbert S. Stone & Co.; Way & Williams; Rand, McNally & Co.; H. O. Shepard Company; R. B. Donnelley & Sons Company, per T. E. Donnelley, vice-president; The Open Court Publishing Company, per M. A. Sacksteder, manager; Mason Brothers; Geo. W. Smith; John P. Wilson, one of Newberry Library trustees; Clement W. Andrews, librarian of the John Crerar Library; Fred. H. Hild, librarian Chicago Public Library; Huntington W. Jackson, one of the directors of the John Crerar Library; James L. High; William R. Harper, president of the University of Chicago; E. W. Blatchford, president of the board of trustees of the Newberry Library; John Vance Cheney, librarian Newberry Library; Franklin H. Head, trustee Newberry Library.

Hon. EDWARD D. COOKE,  
House of Representatives, Washington, D. C.

CHICAGO, March 19, 1897.

MY DEAR SIR: May I trouble you once again? This time it is a matter of serious importance. As you are aware, there is now a tariff bill before Congress. It is said that this bill will be put through immediately. If it goes through, one feature of it will seriously cripple the work of this library and of all the public libraries of the country. I refer to the duty imposed on foreign books imported for the use of public libraries. Heretofore works imported for this purpose have come free of duty. Why this burden should be laid upon so many educational institutions already carrying more than they can well bear is not easy to be seen. I question the wisdom of taxing two other orders of books which now come free of duty to everybody, namely, books more than twenty years old and all works published in other than the English tongue. I question the wisdom of laying a duty upon these, but it is regarding the works of all sorts for public institutions that I ask your help at this time. I need not enlarge upon the importance of the matter. I simply call it to your earnest attention.

Very truly, yours,

J. V. CHENEY.

Hon. E. D. COOKE.

CHICAGO, March 25, 1897.

HONORED SIR: We have the honor to inform you that the board of education, at its meeting held Wednesday evening, March 24, unanimously adopted the following resolutions, which were presented by Dr. Wm. R. Harper, President of the University of Chicago, Hon. George E. Adams, and Hon. Thomas Brennan:

"Whereas in the tariff bill now pending before the Congress of the United States, books and educational apparatus, which have hitherto been on the free list when imported for the use of public schools, are now placed on the dutiable list; and

"Whereas the adoption of such a provision will militate against the highest interest of education and of educational institutions in our country; Therefore,



"Resolved, That the board of education of the city of Chicago urgently request the Representatives and Senators of the State of Illinois to use all the influence at their command, by voice and vote, to have replaced on the free list, as heretofore, all such books and educational apparatus as may be needed for use in public schools.

"Resolved, That a copy of these resolutions, signed by the president and secretary of the board of education, be forwarded to each of the Senators and Representatives in Congress from the State of Illinois."

Respectfully submitted.

E. G. HALLE, President.  
W. A. S. GRAHAM, Secretary.

Hon. EDWARD D. COOKE,  
House of Representatives, Washington, D. C.

### Lumber and the Tariff.

### SPEECH

OF

HON. ROUSSEAU O. CRUMP,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. CRUMP said:

Mr. CHAIRMAN: As a plain business man and struggling manufacturer, I can speak from personal experience of the hardships we have had to endure for the past four years, and how it has taxed our best efforts to keep from going into bankruptcy.

But when we look backward over these last few years of hard times and prevailing low prices with small margins and few orders, there is one thing that shines out in dazzling brilliancy which almost dispels the dark clouds that have been hovering over us; that is, the good times of 1892, when we were booking orders at good prices, our mills all running full blast, and our workmen were all employed at good wages.

These days of prosperity almost shine through the dark clouds of adversity that seemed to grow darker as the years of the Democratic Administration dragged their slow length along, until the election of last fall, when our standard bearer, the champion of protection and prosperity, Hon. William McKinley, was declared elected as the President of the United States. Then I, with every other business man throughout the length and breadth of our country, felt the impulse that came from the heart of the people, when confidence was again restored. We all felt that we were on the eve of prosperity; our bankers smiled again, and they would, as of yore, offer to help us with our loans and discounts; for they felt, as we all did on that morning of the 4th of last November, when the telegraph announced to the world that Republican principles were again triumphant, and that the false theories and dogmas of that hydra-headed free-silver Demo-Popocratic monstrosity was not elected into power.

From that moment, I say—and say it with all truthfulness and sincerity from actual experience felt in conducting my own business affairs—that although our deluded friends on the other side of the Chamber often allude with sneers and derision to our good times and the returning prosperity; and with their calamity howling and demagoguery try to make good, sensible people believe that times are no better, that business is no better, and that the soup houses are still flourishing, and that millions of men are still seeking for work.

But I can again testify to the contrary from actual experience, that in my own and neighbors' factories, at least, we have gradually been putting more of our employees at work, until most of us are now running nearly full-handed. Of course, we are selling our products at low and reduced prices; consequently profits are small, but our workmen are at work and their wages have not been materially lessened; and all this cry about the greedy manufacturer grinding his workmen down, and himself living in luxury from the sweat of their brows while they are getting scarcely enough to eat or to wear, is false, and is only used by the demagogues and Democratic charlatans of the other side to inflame the passions of our workmen, trying to make them believe that they are misused and not half paid for their labor, and all such rot; for it is with such talk as this that the campaign orators of the Demo-Popocratic party inflame the minds of their hearers and try to make them believe that they are a downtrodden people. For, Mr. Chairman, I can again speak from personal experience, as I have been a workman myself; carried the tin dinner pail many years and know a little something about the sweat that will gather on a man's brow if he actually does work and earn his wages, as I honestly believe that I tried to do. I know all about how such demagogic talk is discussed among them.

But the eyes of the intelligent workmen are beginning to be opened. They were deluded into putting the Democratic party

into power in 1892, and bitterly have they all regretted their mistake, and again, in the campaign of last fall, they started another battle cry, not of free trade this time but free silver. This, they said, would be the panacea for all your troubles; come with us and you will be saved; money will be free; and when the workmen and farmers had both been suffering from the ill effects of a Democratic Administration that brought our country onto the verge of ruin—when labor was scarce the farmer was getting low prices for his crops—then demagogues like my friend from Missouri, with his silver-tongued oratory and by false promises, nearly captured them all again.

For although we had a grand Republican victory last fall, I do not ignore the fact that our majorities were not so large but that we were very near the danger line.

God alone knows how near, and what a calamity would have happened to us had William J. Bryan been elected and our splendid American William McKinley, the Napoleon who led us to victory, been defeated.

Republicans, we must be alert and on our guard all the time, and the tariff bill which we now have before us for consideration, which our committee have so carefully prepared, making it as a whole the equal if not surpassing that great measure called the McKinley bill, which became a law too late to receive a fair test before the election of 1892, and consequently never had a chance to show the people what good results might accrue from its workings; and a bill with no name, called the Wilson-Gorman-Brice-whatever-not bill, was, after a long wrangle, substituted for it, and we all know after four years of trial what that has done for us.

I believe that had the Democratic Administration left the McKinley bill on the statute books and really enjoyed its revenues, which would have come into the Treasury in spite of themselves, Mr. Cleveland would not have had to borrow money to pay the running expenses of the Government, but that the surplus would have been so large that even the Democratic Congressmen, with all their extravagance, could not have spent it all. They, in spite of themselves, would have had to pay something on the national debt, to have kept the surplus down to a safe limit, where the more conservative members of this body could control their wild-eyed brethren and keep them from getting up some scheme of extravagance to waste the people's money.

So much for that. They got up their bill and passed it, and it is now a matter of history of how inadequate it was to produce revenue enough to pay the running expenses of the Government, for Mr. Cleveland, that much-abused member of the Democratic party, had to borrow and keep on borrowing to keep us from bankruptcy and ruin, until, when he retired from office, the public debt had increased over \$200,000,000.

And, Mr. Chairman, it will take years of prosperity to put us back where we were before this great calamity of putting a party into power who never had capacity enough to successfully manage the affairs of a great government like ours, for they were given full and unlimited power on March 4, 1893—had their President and both branches of Congress—and again failed, utter and complete ruin almost being the result of their many "isms" and theories being applied to practice.

Our distinguished chairman of the Ways and Means Committee has given us a tariff measure, which is now before us for consideration, and which will, in my humble opinion, give us the needed relief; we will apply the remedy, and our depleted Treasury will again show that our receipts exceed our expenditures, and that we may possibly accumulate a surplus in time to again commence paying something on our public debt, as we have always done heretofore when a Republican Administration has been in full power. But, Mr. Chairman, in my humble opinion, even so wise a measure as this bill, upon which the committee have spent months of honest hard work, listening patiently to hearings from all the different interests that would be affected may have some faults and be open to criticisms in some of its provisions.

Among the schedules to which I wish particularly to call your attention is Schedule D, paragraph 195, page 47, where you place whitewood, sycamore, and basswood on the dutiable list at \$1 per thousand feet, and all other kinds of lumber at \$3 per thousand feet, which, of course, includes white pine, in which the district I have the honor to represent is probably more largely interested than any other in the United States.

To explain, my district, the principal part of the renowned Saginaw Valley lumbering region, was once covered with pine forests, which were the pride and boast of their people. Immense cork-pine trees grew and flourished along the banks of her many streams, the lumber of which was eagerly sought by the manufacturers of the East.

Their fame awoke the attention of the capitalist of the East and the hardy and experienced lumbermen of Maine were among them, who came to the famous cork-pine country, building immense mills and investing thousands of dollars in lumbering operations, giving employment to thousands of workmen, and in the early

days, when men were scarce, extra large wages were paid; and right here I might say that the scale of wages paid by the operators in this lumbering region have always been higher than that paid in other sections for the same work. The result of it all has been that cities and towns have been built and other industries dependent upon lumber have sprung up, until a great army of American workmen find employment in the mills and factories of this region. Great ships and steamers loaded with the product of these mills convey it across the lakes to the sorting yards of Buffalo, Tonawanda, Chicago, and other ports, and it is a well-known fact that in my home (the Bay Cities) there is more shipping or tonnage of vessels entering and clearing from our port than from the great cities of Boston and Baltimore combined.

And now, since the pine forests of Michigan have been nearly exhausted and the lumbermen have had to look elsewhere for logs to keep their mills running, they have all bought largely of Canadian pine-timber limits, investing thousands of dollars for the same. Large fleets of the finest and largest lake tugs have been built and called into service for towing the rafts of pine logs across the lakes, this also employing an army of men. The logs are cut, banked, and made into rafts largely by Michigan men sent there from our section to do this work. For instance, one large lumbering firm in my district sent 250 men to Canada last winter to run their lumbering camps, and pay them American wages with American money upon their return home to work in the mills.

These various interests feel that in order to keep their mills running they must first have Canadian logs, and their fear of the Canadian Government putting an export duty on these logs is groundless; and I do not think it is wise to throw down the gauntlet to them by threatening them with a retaliatory clause in case they should put an export duty on logs. Would it not serve the interests of all concerned by showing them a spirit of fairness and putting on a uniform duty of \$1 per thousand feet, board measure, for all kinds of lumber? I think this is protection enough, and it will please the farming interests along the Canadian border and far Western States, whose people are large users of lumber. It was the amount imposed by that popular measure, the McKinley bill, and will stimulate the market just enough to give it a healthy tone; and with this uniform duty on all rough lumber coming from Canada you will need no retaliatory clause in your bill, and in my opinion it affords ample protection for all lumbermen—North, South, East, and West.

With this duty placed on the rough lumber, add \$1 for being planed one or two sides, and if tongued and grooved one or two sides, add \$1.50 per thousand feet, board measure. This would be a fair and equitable adjustment of this duty, and being a specific duty there would be no chance of fraud or juggling of figures, as in the case of an ad valorem duty being imposed.

Going through this lumber schedule, further on I find that you have placed a specific duty of 30 cents per thousand on shingles. This is duty enough, as is also the duty of 15 cents on lath per 1,000 pieces; these two articles are protected in about the same proportion as rough lumber, if you place it at \$1, as I propose; and all being specific, then there will be no trouble in collecting it, and it will make Republican votes throughout the length and breadth of our land, for the American people like a fair and equitable adjustment of the tariff measure so that it will give justice to all and special privileges to none.

Now, Mr. Chairman, I represent a district largely interested in the box-packing and box-shook business. In my cities of East and West Bay City alone there are some nineteen large plants devoted exclusively to this business, employing nearly 2,000 people, paying out annually \$600,000 in wages, and cutting up annually 123,000,000 feet of lumber, with a capital invested of \$500,000, and an annual output of \$2,000,000.

Now, these various box factories in my district and the many thousands of others like them throughout these United States are users of raw material in the shape of lumber, and by cutting up and working the same add to its value and give employment to thousands of American workmen.

That is one of the reasons why I believe there should be a moderate tariff on this article of lumber, which, as far as white pine is concerned, is about exhausted in this country, and we have to look elsewhere for it, and must get it at fair prices in order to successfully compete with the Canadian and Southern box-shook manufacturers.

And in this connection I would like to call the committee's attention to paragraph 204, where they again adopt the unpopular Democratic expedient, an ad valorem duty of 30 per cent on box shoos. This paragraph I would divide up so as to read as follows:

Casks and barrels (empty) and made-up or finished packing boxes made of wood, 30 per cent ad valorem.

For on these articles, being of various sizes, and the cost of manufacture not always being the same, it would be necessary to place an ad valorem duty, and as proposed would be ample.

But, Mr. Chairman and gentlemen of the committee, regarding

packing-box shoos, which, as you well know, are the sides, tops, bottoms, and ends of boxes, all made of lumber, and after being cut into exact sizes, are tied into bundles, each kind by itself, and called box shoos, and as the cost of them is always based upon the number of feet of lumber used, the duty should be specific, and in proportion to the other schedules I have named. And, based upon your proposed ad valorem duty of 30 per cent, there should be a specific duty of \$3 per thousand feet.

Sugar-box shoos and packing-box shoos of all kinds made of wood, \$3 per thousand feet, surface measure.

Then the Government would not be defrauded, as they have always been heretofore, both under the McKinley bill, when the duty was 30 per cent, as proposed in this measure, and under the Wilson bill, where it was cut to 20 per cent. Box shoos, coming into this country under both acts, never paid the honest tax; for about three years ago a committee of box-shook manufacturers was appointed to investigate shipments coming in at Rouss Point and other places along the Canadian border, and found that box shoos were being shipped into the United States from Canada at an undervaluation of from \$3 to \$5 per thousand feet by using false invoices, etc. The matter was remedied in a measure by calling the Government officers' attention to it; but if there had been a specific duty, as I propose, of so much per thousand feet, the Government would have been protected in collecting the duty, and the interests of our American manufacturers would have been honestly looked after; for any ordinary person of fair ability can look into a car loaded with box shoos and easily determine about how many thousand feet of lumber it contains; and as all box shoos are usually shipped in cars there would be no trouble for the officers to see that the Government was not being defrauded out of its rights.

Now, Mr. Chairman, there is another matter in this connection to which I wish to call the committee's attention, and which I find they have again allowed to be considered in this bill. It is the rebate clause in section 24, page 160, which, as usually construed by the officers of the Treasury Department, allows, for an example, the Standard Oil Company, who—as can be shown under the working of the McKinley bill, which imposed a duty of \$1 per thousand feet—bought all of their lumber in Canada for boxing the tin cans used in exporting oils to foreign countries, paid the duty upon bringing the lumber into the United States, and upon shipping the boxed tin cans out of our country they received back, less 1 per cent, the duty paid upon the lumber.

And I might say, in this connection, that in framing this bill the only difference from the McKinley bill regarding rebates is that you have not allowed them to buy English tin, as they did before, but owing to there being no rebate on this one article they will be compelled, owing to its lower price, to use American tin. You have knocked it off from the tin and why not do as well for lumber? They are a wealthy corporation and should be willing to stand their share of the burdens imposed to increase the revenues, and under these conditions would give their trade to American box-shook manufacturers.

Another article largely manufactured in my district is salt. In this I note that you have allowed the big meat trusts of Chicago and elsewhere to get a rebate on salt, if used to cure meats for export; and their claim that the foreign salt is the only kind that will preserve the meat is false. Our salt, made in the Saginaw Valley, is as fine and pure as any in the world.

Mr. Chairman, I am opposed to all rebates; let everyone use American goods, or if they use foreign articles, why not collect from them the duty and pay no rebates?

There is one more article in the wood schedule to which I desire to call the attention of the committee; that is the paragraph relating to cedar or other wood paving, posts, railroad ties, telegraph, trolley, electric-light, and telephone poles, upon which you impose a duty of 20 per cent ad valorem.

Now, when the Ways and Means Committee was in session, there was prepared for them by one of the largest shippers of cedar in the country, located and doing business in my district, a concise and short schedule of specific duties on these articles, basing it upon a duty of 25 per cent; and again you have taken up with another Democratic idea of ad valorem duty instead of the more correct specific duty, under which the Government gets its just dues, and which can not be done under the ad valorem duty.

Now, Mr. Chairman, it is nearly 3 o'clock, the time agreed upon when we are to take a final vote upon the passage of this bill. The reading has stopped at the twenty-third page, and the lumber schedule, which begins on the forty-seventh page, will not be reached. I had thought of introducing several amendments on these items I have mentioned, but now it is too late. We will have to appeal to the Senate for relief. A member of the committee informed me, upon pressing the matter to them of changing the box-shook schedule from an ad valorem to a specific duty as a committee amendment, that they were afraid to offer it, because it would open up the whole lumber schedule to criticism; so



he kindly invited us to look to the Senate for relief. In my humble opinion, if these lumber schedules will not bear discussion, it is a weak measure in this respect at least; and knowing as I do the utter folly it would have been for any of us members offering any amendments outside of the Ways and Means Committee themselves, I and other representatives of the people have had to content ourselves with remaining quiet at this end of the Capitol and look to our Senators at the other end to help us out.

In conclusion, Mr. Chairman, allow me to say that this is not fair to the Republican members of this Chamber, who, like myself, are strong believers in protection to American industries, but also want to so regulate the schedules as to make this measure, the Dingley bill, a popular measure, and one that Democratic campaign orators can not pick flaws in and again deceive the workmen into the belief that the bill is largely in the interests of the trusts and combinees of capital.

And with this part of the bill I have mentioned, with which I am familiar, amended as suggested, I know that it will meet with the approval of the Republican party in general throughout our country. For I believe that our party should stand united for the principle of exact and impartial justice to all and special privileges to none.

#### The Tariff.

### SPEECH

OF

HON. S. S. BARNEY,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 30, 1897,

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. BARNEY said:

Mr. SPEAKER: The subject of taxation and of protective tariff is an old one, and yet, in a certain sense, it will remain new as long as we have popular government. This subject has been under discussion for several days by members of the Committee on Ways and Means, who necessarily, by reason of the information which they have received upon the subject during the last three months, are much better able to discuss it intelligently than we who are outside of that committee. For this reason, at this time, it may appear almost presumptuous for one to attempt to say anything new upon the subject; in fact, it is quite impossible.

One of the first things, in my judgment, to be considered in a discussion of this subject, and one which we must never lose sight of, is that we require for the ordinary and necessary expenses of this Government a certain amount of money each year. You may talk about the extravagance of this Congress or the extravagance of any prior Congress, and yet the fact remains that but a small portion of the money which has been expended in the last twenty-five years in this country could have been dispensed with. The people of this country want public buildings to be erected—new post-offices, new custom-houses, and other public buildings. The people all over this country, north, south, east, and west, desire that liberal harbor improvements shall be made, and millions of dollars are necessary to be expended in this direction. So it is with the large number of old soldiers upon the pension list, who must receive their quarterly stipend.

Now, all this money must be raised in some way; it must be raised from the people by some sort of taxation, either direct or indirect. I think it is unnecessary for me to say at the present time that the people of this country of all parties are opposed to the raising of money for purposes of Federal expenses by direct taxation. It must be done, then, by duties imposed upon importations from foreign countries and by internal revenue.

Now, in my judgment it is idle to stand up here upon this floor or anywhere and talk about the Republican party desiring or claiming to make the people rich by taxation, or to claim that such is the policy of the Republican party, or that any prominent Republican in this country claims that the people of the United States can be made wealthy by imposing any kind of taxation upon them. There is no use of talking any such nonsense as this. No one believes this; but nevertheless it is true that this country must raise hundreds of millions of dollars every year for the purpose of defraying its necessary and legitimate expenses. This can be done only by some kind of taxation. It must come out of the people in one way or another, and the Republican party claims that its

policy of taxation is one which rests upon the people with the lightest burden; in fact, it is the claim of the Republican party that its system of taxation in the past has been such that the people have hardly noticed it. We must pay our honest debts in some way; we must pay the expenses of this Government in some way, and if we can do that, and at the same time build up our domestic industries in this country, give labor to the people, and keep all of our money and resources here at home, then in my judgment we have gone a great way toward increasing the prosperity of the American people.

It is very easy and very cheap to theorize upon almost any political subject. I do not think it is logical for any man, be he Republican or Democrat, to claim that the theory of free trade or the theory of protection is susceptible of demonstration, the same as any problem in mathematics. There is no doubt that there is much which can be said on all sides of this question when we come to discuss it as a mere matter of theory; but it seems to me that there is no better way to judge as to which policy is the best for this country than to look over the history of the past and see what effect upon this Government the continuance of one policy or the other has had. Let us look back over the history of this country for the last thirty years, and it seems to me that our history during that time is one of the best object lessons in the world to teach us what kind of a policy of taxation this Government should pursue. Thirty years ago the public debt of this country was nearly \$3,000,000,000, bearing a high rate of interest. This country then had come out of the most terrible war in modern history. Untold millions of property had been destroyed, both North and South; hundreds of thousands of the choicest of American citizens had lost their lives upon the field of battle, and thus the country had been deprived of some of its most valuable labor element. And you and I can remember that, as we looked over the scene just after the close of that terrible war, it seemed impossible that the country could recover from that scene of devastation within the next century. And yet what has been the actual result? On the 1st day of January, 1892, this Government had paid more than two-thirds of this immense indebtedness, and had funded the balance at a rate of interest less than one-half of what it was at the time it was incurred. And yet I doubt whether in the whole history of this or any other country there had ever been twenty-five years of greater prosperity than the twenty-five years immediately preceding the 1st day of January, 1892. True, our Democratic friends were continually going up and down the country howling to the people about how they were paying taxes upon their hats, upon their coats, upon their shoes, and upon everything which they ate upon the breakfast table or upon the dinner table, and that they were lying down at night and sleeping upon a taxed bed, and were being robbed on all hands by this robber system of taxation. Yet, notwithstanding all this, during these twenty-five years the people of this country prospered as no people have ever prospered in the history of the whole world; and I undertake to say that the material wealth of this country increased more rapidly in those years than it ever had before in this or any other country for a century.

There is another fact to which I desire to call your attention in this connection, and that is that not only had the manufacturing interests and the business men of this country prospered during those times, not only had the farmers and the professional men prospered, but there never was a period in the history of the whole world when the common everyday laborer prospered as he did during all of that time; and I venture the statement, without any fear that it can be successfully contradicted, that there never was a time when a day's wages would buy more of the necessities, and even luxuries, of life than it would on the 1st day of January, 1892, and more, that there was not a single man in this country, North, South, East, or West, who could not get employment at good, remunerative wages if he wished to work.

In the campaign of 1892, which all of us well remember, our Democratic friends went up and down the country telling these same people, who were then prospering as they never had prospered before, that they were being oppressed; that they were being robbed by this system of taxation, and that all that was necessary to do in order to bring about complete happiness to the people of this country was to tear down this system of protective tariff and establish a tariff for revenue only. They were chanting the same song that they have been singing upon this floor ever since this bill has been under discussion. Well, the people of this country, prosperous as they were, were convinced that this was true, and in the Presidential campaign of that year voted for a change of American policy; voted in favor of a party which, for the first time in the history of this country, placed in its platform the statement that a tariff for protection was unconstitutional and therefore void; voted to place in power a party which was pledged to revise the whole revenue system of the country and to give us a tariff bill framed upon the principle of raising revenue as against that of both revenue and protection. Now, what was the result of that change? Within less than six months after the news flashed

through the country that Grover Cleveland was elected President of the United States the business of this country was paralyzed everywhere. Hundreds of thousands of men were turned out of employment; mills were closed; factories were stopped; banks were wrecked; business men failed, and desolation spread over the land where for years before that time there had been prosperity and good times; and from that day to this this fall of depression has continued to rest upon this country. Laboring men are out of employment; those who have employment are working upon short time and at reduced wages. Men who are willing to work are traveling our highways begging for bread, and for the first time in the history of this country, not long after the election of 1892, an army of tramps was even besieging the capital of this country.

This is not all the evil resulting from this change, for while, under a system of protective tariff, we were continually raising more revenue than we needed for the ordinary expenses of the Government, and were enabled to gradually pay off our national indebtedness and leave a surplus in the Treasury, under this new system of revenue tariff the Government has been running behind at the rate of more than \$50,000,000 a year. Notwithstanding this fact—notwithstanding, therefore, that we are raising by revenue about \$100,000,000 less per annum than we did under the system of protective tariff—yet the people are oppressed by this system of taxation and feel it much more than they did when the national income was far greater than it is at the present time.

The following is a statement of the receipts at the custom-houses in this country for the first thirty months under the McKinley law and the first thirty months under the Wilson-Gorman bill, showing a difference in the receipts in favor of the McKinley law of \$106,227,586:

## CUSTOMS RECEIPTS.

First thirty months—McKinley law.		First thirty months—Wilson law.	
1890—		1894—	
October.....	\$24,904,114	September.....	\$15,564,990
November.....	15,227,941	October.....	11,932,118
December.....	16,104,533	November.....	10,280,662
1891.....	182,251,594	December.....	11,203,049
1892.....	191,737,936	1895.....	164,452,627
1893.....		1896.....	145,424,989
January.....	21,102,478	1897.....	
February.....	16,930,395	January.....	11,276,874
March.....	19,664,875	February.....	11,587,290
Total.....	487,959,564	Total.....	291,731,978

Decrease under a "tariff for revenue only," \$106,227,586.

Not only have we this loss in the receipts at the custom-houses, but, on account of the decrease in the business of this country everywhere, there has been a proportionate decrease in the internal-revenue receipts. The following figures show the internal-revenue receipts during the first thirty months of the McKinley law and the first thirty months of the Wilson-Gorman law, disclosing a difference in favor of the McKinley law of \$43,338,241:

## INTERNAL-REVENUE RECEIPTS.

First thirty months—McKinley law.		First thirty months—Gorman law.	
1890—		1894—	
October.....	\$12,840,250	September.....	\$6,182,149
November.....	11,822,047	October.....	6,493,438
December.....	12,944,173	November.....	7,774,074
1891.....	146,304,062	December.....	9,938,009
1892.....	160,355,496	1895.....	137,301,701
1893.....		1896.....	147,122,812
January.....	12,052,918	1897.....	
February.....	11,316,832	January.....	11,031,840
March.....	12,300,928	February.....	10,888,422
Total.....	380,066,716	Total.....	336,728,475

Decrease under a "tariff for revenue only," \$43,338,241.

Mr. Speaker, not only has the business of this country been destroyed and laboring men turned out of employment everywhere, but in addition to this there is no price for anything which either the manufacturer or the farmer has to sell; and this because the American manufacturer and the American farmer has lost the best market on this earth—the American home market. The American factory is idle because there is no one to buy its products; the produce of the American farm is cheap because there is no one to eat it. There is no production because there is no consumption, and there is no consumption because there is no production. Our free-trade friends talk to us about the markets of the world, while we have here at home the very best market on the face of the earth; and it has been made the best and is the best, except during free-trade times, because all classes of people here earn more and hence consume more than the same classes anywhere else in the world. A man who earns \$2 per day consumes 50 per cent more than one who earns \$1 per day. We must keep this market and maintain it just as it is, the best market in the world, by our system of protective tariff—by a system of protective tariff which will protect the American laborer and never

reduce the wage earner of this country to the same base level as that of the wage earner of Europe.

It hardly seems possible, and yet it is a fact, that the people of this country have consumed within the last three or four years far less, even of the common necessities of life, than they did during the period of good times. The statistics show that during the year 1895 the consumption of wheat was about a bushel and one-half less per capita than it was during the period of good times under the McKinley law. The consumption of corn was about one-half as much per capita during the year 1895 as it was during the prosperous times under the McKinley law. If this is true regarding such absolute necessities as wheat and corn, what must have been the result upon the finer products of the farm, such as butter, cheese, milk, eggs, and meat, which under this beautiful system of free trade have become a luxury to the wage earners of this country? No doubt the consumption of these products of the farm during the last two or three years has been little, if any, more than one-half of what it was during our season of prosperity.

But, Mr. Speaker, our free-trade friends say, "Give us free raw material." They are willing that some kind of a duty may be placed upon what they call manufactured articles, but they insist that raw material should be allowed to come into this country free of duty. What is raw material? Why, such a theory as this leaves the farmer entirely out in the cold and unprotected, because according to the theory of the free trader everything which the farmer raises is raw material. Now, there is nothing in the world which has ever received one touch from the hand of labor that can be truthfully called raw material. Just as soon as labor in any way has modified any product of the earth, it has become, so far as that laboring hand is concerned, finished product. The wheat, barley, corn, beef, and wool as they leave the farm are the finished products of the farmer. So we can go all through the commercial world. There is no such thing as raw material, except those things produced by nature unaided by the hand of man. The ore turned out of the earth by the miner is his finished product, which in turn is the raw material of the pig-iron manufacturer; whose pig iron, his finished product, is the raw material of the steel manufacturer; whose finished product constitutes the raw material of the manufacturers of all articles into whose composition steel enters; and so on almost indefinitely and in other lines of industry.

Mr. Speaker, the free trader of this country has always had a great solicitude for the farmer, and it has been among the farming class generally that he has done the largest part of his preaching. They have been told repeatedly that everything which they have to buy is enhanced in price by reason of the tariff law, while they have never received any benefit from it whatever. Now, I want to say that in my opinion there is no class of people in this country that receives more benefit from a well-adjusted, fair, equitable protective tariff than the farmers. It brings the producer and the consumer closer together, thus saving the cost of transportation, which is a benefit always to the producer. More than all that, it gives a market to the farmer for many products of the farm which do not bear transportation. Under a system of free trade the farmers of the far West can expect to raise for transportation only cereal crops and the products of the dairy farm and stock for the market, while if we foster domestic industries in this country and build the factory in close proximity to the farm, the farmer has a market and a market right at home for all the coarse products of the farm—his hay, straw, vegetables of all kinds, and the products of the garden—thus yielding him a profit and an income from a source which would yield him nothing under a system of free trade.

Within the last year I had a conversation with a gentleman engaged in the milk business in one of the most prosperous manufacturing towns in my district—that is, it was one of the most prosperous manufacturing towns in Wisconsin prior to the election of Cleveland in 1892—and this gentleman told me that after the panic of 1893 the consumption of milk alone in that city fell off about one-half. Families which before that time had taken 2 quarts of milk took but 1, and those which had taken 1 quart thereafter took a pint. Many of them were not able to buy any at all. This gentleman called my attention to another fact concerning that same city, showing the depression caused to the farming industry on account of the general stagnation in the manufacturing industries. Surrounding that city were hundreds of acres of good farming lands that before that time had lain practically idle by reason of having been subdivided into city lots. Just as soon as the factories in that city were closed and men were turned out of employment, hundreds of these laboring men went out upon these lands just outside of the city and spent their time there raising potatoes and garden vegetables, such as they needed for their own use, and also some to sell to the wealthier classes in town, thus depriving the farmers of that locality of the market which they had theretofore had for their milk, butter, cheese, potatoes, and garden vegetables, and in fact all products of the farm.

It has always seemed to me, Mr. Speaker, that the makers of



the Wilson-Gorman law appeared to have a particular grudge against the farmers of this country, because it does seem as though that law was framed to hit them harder than any other class of people. The idea of putting wool upon the free list and at the same time keeping up a reasonable duty upon the manufactured article is absurd, and about as audacious a piece of business as Congress was ever guilty of. In the fall of 1894, in traveling through my district, I found that the highways in some localities were lined with flocks of sheep that were being driven to the market and sold for almost nothing, because at that time they had been rendered valueless by the placing of wool upon the free list. Before that time we were told by the free traders that this duty on wool, the duty on barley, the duty on the other products of the farm, did not make any difference in prices; that the farmers would get just as high a price if they had no duty; that it was a humbug and a snare, and in the interest of the manufacturers and not in the interest of the farmers and laboring men of this country; and yet I call the attention of the farmers of this country to the fact that since the passage of the Wilson-Gorman act the wool of this country has sold in the market for just about as much less as the amount of the tariff; and it is a remarkable coincidence that the same can be said of barley, butter, cheese, eggs, and most other products of the farm. If you injure the sheep farmer of this country you injure every other farming industry, because the sheep farmer is compelled to drive his flocks to the butcher and go out of that kind of farming business and into some other. He must necessarily raise something else; he must raise either barley, corn, wheat, cattle, hogs, or go into the dairy business and compete with other kinds of farming industries. A blow at the sheep farmer is a blow at every variety of farming industry in this country.

The Statistical Abstract of the United States for the year 1896 shows that in the year 1893 there were in this country 47,273,553 sheep, of the value of \$125,909,244. In the year 1896 there were in this country 38,298,783 sheep, of the value of \$85,167,735, a decrease of about 25 per cent in the number of sheep and of almost 50 per cent in their value; in other words, that the people of this country, and necessarily the sheep farmers, have been robbed of \$40,000,000 by the placing of wool upon the free list.

I was talking the other day with a gentleman from the State of New York regarding the duty upon barley, and he said that down in his country they did not want any duty upon barley, because there were a great many malt houses along Lake Ontario doing a large malting business, and that they obtained all their barley from Canada; that the placing of a duty upon barley would be practically prohibitory upon them and they would not be able to get any more barley from Canada. I told him that was just why I was in favor of this duty upon barley; that I did not think the maltsters of his district, or of any other district in America, ought to get any of their barley from Canada or any other foreign country; that the statistics of this country showed that the farmers of this country were able to raise all the barley that was needed in this country, and more, and that for that reason I was in favor of putting a tariff upon barley which should actually be prohibitory and compel the maltsters and brewers of this country to obtain all the barley which they needed for use from the American farmer. It is the American farmer upon whom they largely depend for a market for their product, and it is no more than right that they should buy of him the material out of which they manufacture the product of the malt house and the brewery.

I received this very morning a circular issued by some free-trade club in the city of New York, the same being an extract from that great free-trade organ, the New York Evening Post, and it is headed, "Dissatisfaction of importers with the wool schedule." I did not take time to read it carefully, but I simply made up my mind that if the importers of the country are dissatisfied with the Dingley tariff bill, that is the best reason in the world why I should be in favor of it. The importers of the city of New York can make money only at the expense of the producer, the manufacturer, and the wage earner of America, and any tariff bill which is distasteful to them I think ought to be satisfactory to every patriotic American citizen.

We were told by these free-trade orators that the passage of a revenue-tariff bill would enable the farmer and the laboring man of this country to buy all the necessities of life much cheaper than they had been able to buy them before the passage of that bill. Well, I do not know whether I am right or not, but my experience is that the ordinary necessities of life, except the products of the farm, have gone down very little under this revenue-tariff bill; but even if they have, and its effect has been to decrease the price of the articles which are purchased by the American farmer and the American laborer, what benefit is it to him so long as he has not the money with which to purchase? I think the American farmer of this country has at this day discovered the fact that he can afford to pay a little more for his suit of clothes, that he can afford to pay a little more for his farming machinery, if he can but get 30 cents a pound for his wool and 75

or 80 cents a bushel for his barley; that he is benefited but very little by a policy which enables him to get a suit of clothes a little cheaper and at the same time decreases the price of everything which he has to sell.

And the same principle can be applied to the laborer. What consolation is it to him that he can obtain his meat, his flour, and his clothing somewhat cheaper if thereby he is turned out of employment? Give back to the laboring men of the country the wages of 1892, and they will gladly pay the farmer a fair price for the products of the farm. Give the laborer the good wages and steady employment which he had under the system of protective tariff, and he will take care of the surplus products of the farm, consume 25 per cent more flour, twice as much meat, butter, and cheese, and thus restore the prices of 1892. Give the American people labor where with they can earn the old wages, relieve them from this four years of lenten season of fasting under Democratic rule, and they will settle the question of overproduction in short order.

During the campaign of 1896 the Popocratic orators went through the country and preached to the farmers and to the laboring men generally that the way to make them rich was to call 50 cents' worth of silver a dollar, and thus double the price of everything which the farmer had to sell and also the price of a day's wages. It always seemed to me that if that was the way to make men rich, it was very foolish to stop at making a dollar out of 50 cents' worth of silver; that it would be just as easy to go further and make a dollar out of 25 cents' worth of silver, and by that means quadruple the price of everything which the farmer had to sell and relatively increase the price of a day's wages. We might go still further and call an old-fashioned copper cent a dollar, and in that way enable the farmer to get \$100 a bushel for his wheat and the laborer \$100 a day wages. But the people of this country were not deceived by any such logic as this. They were never convinced that they could be made rich by debasing the currency or by calling an inch a foot or a pound a ton. The farmer knows that in 1892 his dollar was as good as it is now, in this country or in any other market of the world, and that it contained 100 cents in value then just as it contains 100 cents in value now; and by looking over his old market report he sees that he sold his farm products five years ago for just about twice as much as he is able to sell them for to-day, and that he received his pay in the good, old-fashioned dollar, which was worth 100 cents. The same may be said of the laboring man. He looks back five years and remembers that he received at that time almost twice as much for his day's wages; that he had plenty to do, and that when he received his pay Saturday night he received it in dollars which were worth 100 cents. Then I take it for granted that the farmers and laboring men of this country have not been convinced that they are going to be benefited by the debasing of our currency, but the experience of the past has taught them that they can be benefited by a return to that same policy which made them so prosperous for the generation before 1892.

In the last election the American people spoke with one voice, and spoke so loudly that this Congress ought to hear them; and they said that they wanted to get out of the barren wilderness of free trade and into the good old fertile fields of protective tariff. Let us get there, and get there quickly.

#### The Tariff.

#### SPEECH

OF

HON. JOHN A. McDOWELL,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 24, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. McDOWELL said:

Mr. CHAIRMAN: I must admit that I am greatly surprised at the provisions of the tariff bill under consideration. I supposed that our Republican friends had learned from their experience with the tariff act of 1890 that the American people will not approve of high protective-tariff schedules, made especially to favor manufacturers, trusts, and combinations at the expense of the producers. It has been quite generally published in the papers all over our country that the tariff bill which would be passed in this extra session would be a moderate one, and that any other kind would not do. But here we have one presented whose rates are higher than the McKinley Act. This is not what the people of this country expect nor want. They say, "Give us a moderate tariff bill, one that will raise sufficient revenue to carry on the Government,



economically administered; one that will not discriminate in favor of any class against another class."

Mr. Chairman, this bill is so obnoxious in its provisions that a number of Republicans are condemning it severely in this House. It is evident, if an opportunity was given to members outside of the committee to amend the bill, that it would be greatly changed for the better before it would leave this House. The majority of the Ways and Means Committee have not only prepared a bill of their liking, but they are determined that it shall be railroaded through this legislative body under arbitrary rules that preclude any just amendments.

The chairman of the committee [Mr. DINGLEY] says the object of this bill is to raise more revenue than we are getting and to encourage the industries of the United States. How inconsistent these claims are! This bill has been modeled upon the McKinley bill, and one of the objects of that bill was to reduce the revenue, for it was admitted that we were piling up a surplus in the Treasury that was not only unnecessary but dangerous. The McKinley bill did reduce the revenue. Hence the logical conclusion must be that this bill (the Dingley bill) will not increase the revenue. The effect of a high protective tariff is to shut out imports, and hence to reduce revenue.

However, Mr. DINGLEY says it is estimated that the pending bill enacted into law would yield an increase of about \$113,000,000. Granting this to be true, Mr. Chairman, will it not be difficult to get the plain, hard-thinking people to see the necessity for withdrawing from the business channels of this country \$113,000,000 more of circulation when there is at present more than \$218,000,000 in the Treasury? With greater economy in public expenditures, there will be no need for additional revenue. The farmers of this nation and the laboring men of various occupations have, by stern necessity, been compelled to practice economy. They are demanding economy in governmental affairs. What think you they would have said had they witnessed the awful example of reckless extravagance here a few days ago, when four great appropriation bills, aggregating \$78,000,000, were rushed through this House by the majority, without giving 148 new members of this body an opportunity to examine the bills? Do you call this legislating for the interests of the people? The chairman of the Appropriations Committee [Mr. CANNON] admitted that \$5,000,000 or more might be stricken from one of these bills if time should be given for consideration of the bill; yet he was unwilling to allow more than forty minutes to the discussion of the bill. It looks very bad indeed when one of these appropriation bills carries with it an appropriation for a public building in the chairman's own town. [Applause.]

Now, Mr. Chairman, the Democratic members of this House have had applied to them by the venerable members of this assembly all sorts of uncomplimentary epithets, such as fools, ignoramuses, and monkeys. It is an old custom that when persons are beaten in argument, or can not justify their actions, they resort to calling names. That was true last fall. The advocates of the gold standard could not meet the arguments of their opponents, so they resorted to the practice of calling them anarchists, revolutionists, and repudiationists. They seem to think that because they won last fall, the same kind of tactics will carry this iniquitous tariff bill through Congress.

In the debate on this bill we have heard that oft-repeated and false statement that Democrats are free traders. I challenge anyone to prove by Democratic legislation or platforms of the party that the Democratic party has ever advocated free trade. It is true that some Democrats believe in free trade. It is also true that some Republicans believe in free trade. I am not a free trader, but I am opposed to tariff schedules that will foster trusts, and that I thoroughly believe a high protective tariff will do.

The only kind of a tariff act that will stand in this country is one that will provide enough revenue to meet the expenses of the Government, including the public debt and interest thereon, and one that equitably distributes the protection given. The Wilson bill is a protective measure. With a few changes in it I believe it would be one of the most just revenue bills ever enacted. With wool on the dutiable list and a few other changes, the Wilson bill would prove quite satisfactory to the farmers of Ohio.

While the Dingley bill places wool on the dutiable list, it has not the schedules asked by the woolgrowers. In this the committee has favored the woolen manufacturers.

Some of the advocates of this pending bill have talked much about doing something to benefit the farmers. To one who knows something of the farmers' interests, what they have to sell and what they have to buy, it is plain that these would-be friends of the farmers either do not know what they are talking about or do not mean what they say. How can you benefit the farmer by making him pay more for everything he has to buy and not increasing the price of the products he has for sale? This bill will increase the price of articles he must buy. You try to deceive him by placing a duty on wheat, corn, and other products, the prices of which are not affected by tariff legislation.

If some of our Republican friends are really desirous of helping the farmer, let them join hands with us—Democrats, Silverites, and Populists—and give the country some wholesome financial legislation. The farmers of this country will not be prosperous as long as we continue under the suicidal policy of the single gold standard. If the question were submitted to-day to the farmers and laborers of America whether we need tariff legislation or financial legislation to bring good times, their answer would be for the latter.

Why do not the advocates of this bill be honest and frank in stating the purposes of the measure? Why do they not say it is to enable the trusts and great corporations to get back the millions they contributed to the last Presidential campaign? This is the view the people take of this bill.

I again state that for the purpose of raising the necessary revenue and giving the protection required by our industries a few modifications of the Wilson-Gorman Act would meet the requirements. This work could be done in a short time by the House, and by so doing we would send a bill to the Senate which I believe would meet its approbation. It is the height of political folly to attempt to reenact the McKinley bill, or, what is worse, a bill that carries higher rates than the McKinley Act. I say this kind of legislation will not bring prosperity to the country, but it will bring agitation and ruination. [Applause.]

### The Tariff.

### SPEECH

OF

HON. W. W. KITCHIN,

OF NORTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 30, 1897,

On the bill (H. R. 370) to provide revenue for the Government and to encourage the industries of the United States.

Mr. KITCHIN said:

Mr. CHAIRMAN: In the limited time (five minutes) permissible to me in this debate, I shall not undertake to discuss the question or to state the many reasons which impel me to vote against the unjust and oppressive bill now pending. The rates imposed upon some articles meet my approval, but in my opinion the main provisions of the bill are against the people and in favor of the trusts and plunderers. A tariff for revenue, with its necessary incidental protection, is right; but a tariff for protection, with its necessary incidental revenue, is based upon a false, corrupt, and trust-serving principle, and is wrong. The financial question is the great issue before the people, and this effort of the Republicans to bring the tariff to the front will fail. The people, irrespective of parties, will continue to agitate the financial question until relief is had and an era of prosperity begins. I shall, with a solemn sense of duty, vote against this Dingley bill.

I ask unanimous consent to have printed, in connection with my remarks, an article which I received a few days ago from a gentleman in my State who has given much study to the tariff. I do not approve of all that is in this article, but do approve its general tendency, and desire its publication on account of the clearness and vigor with which many fundamental principles are set forth in it.

It is as follows:

#### PROTECTIVE TARIFF NOT THE REMEDY.

The pretended protection extended to American labor is one of the most unrighteous impositions and frauds ever inflicted upon a people. If protection were right in itself, and morally and politically no invasion of the inalienable rights of a people, yet as advocated and practiced in this country it is a great moral and political wrong. The idea of keeping foreign goods out of this country to protect American labor, and at the same time allow the importation of foreign labor to compete with American labor, on equal terms, is a novel way of protecting American labor, a fraud upon honesty and fair dealing, and a sad commentary on patriotism.

It is impossible to frame a protective-tariff law that will not favor monopolies, trusts, and money combines, because any tax on a foreign article will raise the price of the same home article to the extent of the tax, either directly or indirectly. The home producers will combine and not sell for more than a fraction less than the foreigner could sell for, and this combination of home manufacturers at once becomes a trust.

But one serious question confronts the Administration. It must restore the parity between national expenditures and national receipts. Any tax that does not bring in revenues sufficient to meet the current expenses is a failure. For the last four years the receipts of the Government have continually decreased, while the expenditures of the Government have increased yearly, and the deficiency has been supplied by the sale of bonds for more than \$250,000,000. This shortage of revenue and the sale of bonds aided in the defeat of the Democratic party. The same causes will utterly destroy the ruling party if not removed and the deficit supplied. There are two ways to meet the present deplorable financial condition of the Government that will be tolerated by the people, and only two ways.

The first and most natural and equitable way is to reduce expenditures to a parity or equilibrium with the incoming revenues. This could and ought to be done. The expenses of the Government are at least \$100,000,000 more

than they ought to be, and this amount could easily be lopped off, greatly to the advantage of the people and to the honesty, morality, and stability of the Government. But the history of the Republican party is not such as to encourage the hope of such a reasonable, just, right, and patriotic course. They have universally, when in power, increased expenses and raised taxation and made the burdens of the people heavier. But this time their advent to power is surrounded with difficulties never before in this country confronting any party. The very means proposed by the incoming Administration to relieve the situation brought the Government into its present financial troubles. The time has been in our history when an increase in the tariff rates would increase the revenues, but that time is behind us. The rates of tariff taxation have been so often increased until these rates under so-called Democratic law are so high and exorbitant that they discourage instead of encouraging importation of foreign goods. And any increase of tariff rates on foreign goods the like of which is made in this country will prohibit importation of these goods and cut off or greatly lessen the revenues instead of increasing them. But this is the remedy demanded by manufacturers, boards of trade, chambers of commerce, syndicates, trusts, and so-called business men, and it is exactly what Mark Hanna and McKinley have promised, and the very bed rock and foundation of their elevation to power. The Republican party is pledged to the single gold standard and to a higher protective-tariff measure than the Wilson law.

Now, there is nothing more clear to the mind of an honest, thinking, political economist or an honest, patriotic statesman than the fact that the single gold standard and the McKinley law and the Wilson law are responsible for the deficit in the Treasury, the stagnation and demoralization of business, the low prices of labor and commodities and agricultural products, and the general bankruptcy and ruin abroad in the land. And yet the only remedy proposed for these evils, and the only relief for the people, is the existing gold standard and the existing Wilson law, with an increase of the burdens of both. An increase of the tariff will probably decrease the revenues from that source. A tariff so high as to prevent importation will, of course, cut off revenues. If no goods are imported from foreign countries into this country, of course no taxes will be paid at our ports. The lower the rate of duties the more goods that will be imported. The higher the rate of duties the less the amount of goods that will be imported. The more goods imported under a tariff for revenue the greater the amount of revenue received. The fewer goods imported the less the revenue received.

A protective tariff discourages importation, and, as a rule, the less the importation the less the revenue. A prohibitory tariff stops revenue entirely. If no goods come in, no revenue will come in.

No tariff tax at all would invite foreign importation and bring in no revenue. This, the protective-tariff advocates claim, would destroy American manufacturing industries, because, they say, our people can not compete in manufacturing industries with France, Germany, England, and other nations. This may be so, and I reckon so. But the reason it is so is because we have protected our manufacturers from competition with the outside world at the expense of the consumers until our manufacturers, like a hothouse plant, can not grow outside of a hothouse or a hot climate. They have been protected and fostered by the Government until they rely upon legislation for profits, life, and existence.

They are like unto a spoiled child, who has been petted, humored, and cared for by his parents so long and faithfully that when thrown upon his own resources he goes to the dogs and charges his own worthlessness and misfortune to his parents.

These people have been protected, at the expense of the people, for near one hundred years, and if they can not compete now with the outside world, they ought to go out of business. One hundred years is long enough to learn any trade.

But we are compelled to have revenue to run the Government. It is a necessary and indispensable evil. It is the price we all must pay for the wing and arm of the Government and the law, which guarantee to us our life, liberty, and property. But this burden ought to be made as light and as easy to bear as possible and consistent with the safety of the Government and the good of the whole. In levying these taxes and locating these burdens, they ought to be so levied and located as to bear upon all alike. No class ought to be exempt from its proportionate part of the burdens; and no individual or class ought to be permitted to levy tribute or contributions upon any other individual or class. Now, if this be true, the principles of protection are wrong per se.

It is admitted that in the beginning it was expedient and good policy to aid in some way, by law, enterprising citizens who would risk their capital in experimenting and starting new industries. But this aid and protection ought to be limited for a period of years, until the new enterprise should get under headway or on its feet, and not extend forever. But in this age and generation, when our manufacturers are competing in all the markets of the world with all nations, any protection for protection's sake is downright robbery in open daylight; and yet the present Administration is pledged to foster this principle.

As we said in the beginning of this article, the questions presented by McKinleyism and Clevelandism are serious in their effects and solutions.

If McKinley and his people were wise, they would take any more risk on raising the tariff, but would lay a new tariff on things not produced in this country. Such a tariff would be purely a tariff for revenue. A small tariff or tax on coffee and tea and the spices, and on other things not grown or produced in the United States, would relieve the Treasury at once. But this is not Republican doctrine, nor is it in accord with their platform, their promises, pledges, or their traditions; nor would such a tariff be accepted by the trusts, syndicates, and combines who elected Mr. HANNA and Mr. McKinley.

A higher tax on imported goods must be levied, not to raise revenue, but to decrease the revenues of the Government and to increase the revenues of the home manufacturers, combines, syndicates, and trusts. The idea of revenue to the Government does not enter into the idea of protection per se.

Protection means keeping out of foreign goods and the raising prices of homemade goods. And this means less revenue to the Government and more revenue to the maker of American goods; and this means that the consumers of homemade goods will pay two prices for their goods, not one to the Government and the other to the maker of the American goods, but both prices to the American manufacturer. Now, there is a medium between protection and free trade. Neither protection nor free trade means revenue. There is a line between the two; if followed, will mean revenue.

Protection that keeps out foreign goods will not raise revenue. Free trade that admits goods without a duty will not raise revenue. But a duty or tax not so high as to exclude goods nor so low as to fall short of revenue would be a tax for revenue.

A tariff that would admit foreign goods in fair competition with American goods in American markets would raise the largest amount of revenue, and at the same time would not destroy our home industries nor give them an undue advantage over other citizens. They would, however, still have an advantage over all other citizens, equal or about equal to the amount of the tariff duty levied. But under our system of government, as practiced, this seems unavoidable. A tariff so arranged and adjusted, and placed on all articles of every kind sufficiently low to allow the easy importation of goods, would be a revenue tariff. If such a tariff would produce \$250,000,000 of

revenue, it would be equal to \$250,000,000 of protection to American manufacturers. And this \$250,000,000 would be added to the price of the imported goods, and the consumers of these goods would have it to pay. But this is not half the story. If we used only imported goods, this burden would fall on all consumers alike.

But the truth is we use in the United States more than ten times as many American-made goods as we do of foreign-made goods; therefore we would pay ten times two hundred and fifty millions as tribute to American manufacturers in addition to the two hundred and fifty millions paid the Government.

This is accomplished by whipping the devil around the stump.

The amount of tax put on each article imported into this country and paid over to the Government is placed by the home manufacturers as an additional value of their goods, and the consumers of their goods pay this additional value placed on them by vicious legislation. And this is what is called protection, and this is what protection means. It means to rob the millions, by and under cover of law, for the thousands. Protection means to add to the wealth of the wealthy and to take from the poor and needy that which they have. And this is what McKinleyism and Clevelandism are pledged to do.

To accomplish this McKinley was elected. But suppose we are right in our theory that a high tariff will not bring in revenue, and McKinleyism is substituted for Wilsonism, and the revenues should continue to fall off, as they certainly will? The revenues fell off under the McKinley law, they fell off under the Wilson law, and they will fall short under any law as protective as the Wilson law. What a predicament McKinley and his people will be in! Like Cleveland, they will be forced to sell bonds, and, like Cleveland, they will be driven into outer darkness. Nothing but a revenue tariff and the restoration of silver will ever permanently replenish the Treasury and restore prosperity to the country. Four years of Clevelandism under protectionism and goldbugism ought to have convinced the American people of this truth. But it did not, and it was predetermined that they should have four years more of protection and goldbugism to bring them to their senses. Now we assert that no tariff laid on the importation of foreign goods the like of which is made in this country, can produce revenue enough to defray the current expenses of this Government, which has for its purpose the protection of American-made goods.

We lay down another proposition, the truth of which can not be successfully denied. We assert that no tariff law can be so framed (levying a duty on foreign-made goods) as to furnish a sufficient amount of revenue to pay the current expenses of this Government without flooding this country with foreign-made goods; and if this be true, the theory of protection must break down of its own inherent dead weight. As soon as the floodgates are opened, as they must be sooner or later, the protectionists must be swamped in a gulf of darkness and despair. We must have revenue. The Supreme Court has decided it can not be collected from property or the income on property; the Congress have exempted all or nearly all bonds from taxes. So the bulk of the taxes must come from duties on tariff on foreign importations, and these duties or taxes must be so low as to invite and encourage foreign importation. Now, if the importation of foreign goods is invited and encouraged, what will become of these hothouse plants located in this country around which a stone wall has stood for near one hundred years, and for whose defense and protection the people have been taxed hundreds of millions of dollars?

The storms are gathering. The clouds are thickening. The elements are darkening. The winds and rains will soon descend upon the heads of the rulers of this and all other lands. They have about run their course. The day of retribution is fast approaching. Babylon, with all her glory, pride, beauty, and power, is locked up in the archives of time. Greece, Athens, Carthage, with their wealth, learning, science, splendid manhood, and invincible courage and chivalry on the field of battle, are numbered among the dead and forgotten. Rome, with her legions and eagles, the conqueror of the world, the mistress of the seas, the master of the earth, the heavy tread of whose legions made the earth tremble, totter, and fall, with all her magnificent wealth, splendor, and power, with her eighteen hundred millions of gold and silver, with her Pompeys and Cæsars, is catalogued and archived among the things that were, have been, are not, and will be no more. The same causes that sapped the foundations, corrupted the public morals, overthrew and wrecked these once powerful and almost invincible kingdoms and inscribed on their hecatombs "Mene, mene, tekel, upharsin," and spread the sheet of oblivion over their moldering, crumbling remains are to-day sapping and ruining the foundations of this mighty Republic, and gnawing with hyena and ghoulish greed at its very vitals. And unless there is a reformation, a reversal of the order of things, a regeneration and redemption of the public morals, public honesty, public virtue, and the patriotism that moves and controls the officials in the executive, legislative, and judicial departments of this Republic, it must and will follow in the footsteps of its predecessors and go the way they went, and be numbered among the dead and dying.

But you will pardon me. I have wandered from the subject in hand, and will return to it at once. Wisdom, statesmanship, and patriotism would suggest that the quickest, speediest, and most honest and patriotic way to relieve the Treasury and aid the cause of reform and help the toiling millions would be to curtail expenses. Fifteen millions of dollars could be saved to the taxpayers annually by lopping off that amount from the river and harbor bill, or rather from the river and harbor steal. At least that amount could be saved to the taxpayers annually for the next ten years in the item of public buildings alone. Ten millions could be lopped off annually from the Army, Navy, and coast defenses, and the service be better by such lopping. From ten to twenty millions of dollars could be saved in the Pension Department, if it were not for the effort made by Congressmen to have themselves reelected by pandering to the old-soldier element of the country.

We are more than thirty years away from the war, and yet the pension list is larger than it was ten years ago. Judging from the pension list, soldiers never die; or if they do, two new pensioners appear on the list for every old one that dies. There is something wrong, miserably wrong, rotten in the Pension Department, and it seems that no political party has ever had the manhood, the moral courage, and patriotism to tackle the wrong. There could be more than ten millions in the various departments of the Government without detriment to the service. Ten per cent lopping off all along the lines, up one side and down the other, would more than supply the annual deficiency without interfering with specified subjects above named. The Government, like a prudent individual or housekeeper, ought to live within the limits of its income, and there is but one of two ways to do this. The first and most honorable way is to curtail expenses. The second is to increase the income, and if this can not be done, the expenses ought to be shortened. But instead of practicing rigid economy in times of great distress, with both the people and the Government, it seems our lawmakers become more extravagant. An effort was made a short time ago in Congress to increase the public debt more than \$100,000,000, and put the same in the pockets of a set of public plunderers who, together with their ancestors, have already cheated, defrauded, and wronged the Government out of more than \$100,000,000.

The Government can not pay its debts, if called on in the next five years. The Government to-day owes more than \$800,000,000 of interest-bearing outstanding bonds. It has \$500,000,000 of outstanding noninterest-bearing greenbacks, and \$120,000,000 outstanding noninterest-bearing Treasury notes or



Sherman notes. Now, in addition to these \$1,270,000,000 outstanding obligations, we have \$500,000,000 outstanding noninterest-bearing obligations in the shape of silver certificates and silver coins, every dollar of which the Republican party say is redeemable in gold coins, at the pleasure and option of the holders, making in all \$1,800,000,000 of outstanding obligations against the Treasury of the Government, and to meet and pay this enormous and stupendous debt we have the pitiful and small sum of \$150,000,000 of gold in the vaults of the Government. And with these undeposited facts staring the American people in the face, our lawmakers are appropriating and expending about \$500,000,000 annually, and are collecting the same from a down-trodden, oppressed, and helpless people. Under the circumstances, it is remarkable that no serious move or effort has been or is being made in Congress by either of the three parties, or any faction of either, to curtail or reduce the expenses of the Government within the limits of its revenues.

It will require caution, discretion, wisdom, patriotism, and the highest order of statesmanship and generalship to lead the Government out of the wilderness and the people out of their distressing surroundings.

And we do not believe it is possible of accomplishment without greatly increasing the number of real dollars in existence and greatly depreciating their purchasing power and appreciating the purchasing power of labor and commodities, so that a dollar of labor or commodities will go further in paying expenses, salaries, fixed incomes, annuities, and debts.

But we are not a prophet nor the son of a prophet, nor are we wise above other men of equal information. Therefore we may be mistaken in our views, and we hope and trust we are; because, if we are not, there is no light ahead—nothing but darkness, as far as our understanding can penetrate.

Without consumers able to consume there will be no markets, and without markets mills will not and can not run. Neither a higher nor lower tariff will better the financial condition of the people or Government now. The disease is of too long duration and is too radical and deep-seated to be affected by so simple a remedy.

It will require a more drastic treatment, a more powerful and far-reaching remedy, to restore the patient to full health and vigor.

If Mr. McKinley really means to do all in his power to relieve both the people and the Government from this nightmare of stagnation, this cloud of darkness that hangs over all Europe and America, let him diligently and earnestly seek the cause (for he has not yet discovered it), and then bend all his energies to the removal of that cause. Then, and not till then, will prosperity return to this people and the mills start their joyful humming. Mills can not run on full time and full wages unless their owners can sell the output. They can not sell their output unless the people are able to buy and consume.

If the farmers and laborers can not sell what they produce for more than the cost of production, how can they buy the products of the mills? And if our mills run on full time and full pay, they can produce more goods than our people can consume under the gold standard, and if this is so, where are the purchasers and consumers to come from to buy and consume the imported goods upon which McKinley proposes to levy and collect his revenues for the Government?

One thing is as certain as day and night—our people can not consume the products of our home mills if run on full time, and in addition thereto buy and consume enough foreign-made goods to raise revenues enough to run the Government.

This is certain, and the McKinley fellows had as well realize the truth and seek revenues from some other source. All taxes over and above 20 per cent ought to be taken off of imported goods and raise the balance of the revenues from the wealth of the country.

Every man in all the land ought to pay taxes on all he owns to both State and nation. It is right. Not to do it is wrong. And if the Constitution will not permit property to be taxed to support the Government it ought to be amended at once. If the Constitution will permit it, then the Supreme Court ought to be reorganized at as early a day as possible so that the Constitution can be upheld. When a nation produces and is capable of producing more than it can consume, it is impossible for that nation to collect revenues sufficient to pay the expenses of the Government on the importation of articles the like of which is abundantly made in this country and at the same time keep its own mills at work.

Either our mills must stop or we must stop importing the same kind of goods made at home. If you want revenue, goods must come in. If you want to run home mills on full time, then you must stop the importation of foreign goods. If we only made half enough to supply the demand (as we did twenty and forty years ago), then we could import the other half. But our mills can more than supply the demand, except in woollens, and in two years more we will supply the demand in woollens. A tax for revenue will (we admit) raise enough money to run the Government. But that tax must be laid on goods and commodities not produced in the United States.

How does it benefit us to pay 1 to 50 cents more per yard for cloth, according to quality, because of the tariff? It might benefit the mill owner, and might enable him to give his laborers a few cents more per day; but if for the purpose of increasing the mill owner's profits the consumers of these goods are thereby compelled to pay higher prices for them, we would be greatly obliged to some protectionist to explain how these consumers of these protected goods are benefited by paying more money for them.

All this agitation and distressing lamentation about protecting American labor and industries is nonsense, hypocritical, and misleading from our standpoint.

It is a shrewd scheme adopted by the mill owners and capitalists to deceive, cheat, and defraud the people. It is a plot and conspiracy injected into the Constitution by construction and interpretation, that the people may be robbed under the cover of law, and under the flimsy pretext of taking care of the "general welfare" of the people. The common sense of every intelligent, honest man revolts at the idea or suggestion of protecting one individual at the expense of another, one class at the expense of another, one community at the expense of another, one section at the expense of another, or one State at the expense of another State.

To prevent protection to individuals, classes, or States, in contradistinction to others, was the leading thought and the substantive idea, uppermost in the minds of our forefathers when they framed the Constitution.

To prevent taxation without representation or compensation inspired our ancestors to formulate and promulgate the Declaration of Independence.

To abolish favoritism, primogeniture, special privileges, class legislation, and to break down all barriers and to remove all obstructions from the avenues of business and political equality, and from the road to individual success and national independence, induced our Revolutionary ancestors to take up arms against the mother country.

Now, to suppose that we desire to return, or that the framers of the Constitution and builders of this Republic ever intended that we should return, to such conditions as existed in the beginning, to get rid of which our ancestors waged a seven-years war, is too unreasonable, absurd, and inconsistent to attract the attention of a rational creature. As soon as agitation and education and the low prices of labor and agricultural products open the eyes of the people to the real condition of the masses, and to the rapid strides being made toward centralization, consolidation, and despotism, they will not be long in imitating the examples set by our Revolutionary fathers. And the

sooner the protectionists, goldbugs, and their leaders discover or learn this truth and mend their ways the better it will be for them, their wealth, and the country.

The American people are very conservative, long-suffering, and forbearing, but when patience ceases to be a virtue, and patriotism loses its magnetic charm, and despotism becomes the order of the day, and they become aroused, they will assert their rights and maintain them at any hazard, even at the risk of their lives, fortunes, and reputations.

England's conduct toward the colonies was not half so oppressive and intolerable as the doings of Congress, the Executive, and the Supreme Court are to the people of the United States. Her revenue laws were lenient and merciful in comparison to the revenue laws of the United States. The burdens she placed upon the people of the colonies for national expenses were light and easily borne in comparison to the taxes and burdens placed upon the people of the States by Congress. English taxes and duties on the colonies were direct, pointed, and affected each individual, corporation, and State alike. There was no favoritism or classism in collecting revenues. She laid her hand upon the rich as well as upon the poor. She treated all alike and discriminated against none when she needed revenues. And to-day she collects more than half of her revenues from the incomes of her wealthy subjects. Not so with us. Our revenues are collected principally from what we eat, drink, and wear, either directly or indirectly. Every railroad, steamboat, banker, bondholder, commission, wholesale, and retail merchant; every dealer in any kind of commodities, and every middleman between the manufacturer and the consumer is a tax collector for the manufacturer as well as the Government.

The last man who buys and consumes the hat, the shoes, the yard of cloth, the dress, or the suit of clothes, pays the tariff levied by the Government on foreign goods, as well as a premium on the goods manufactured in this country equal or nearly equal to the tariff duties paid to the Government on foreign-made goods imported. And the only reason the people have submitted so long to this national wrong and outrage is because they can not fully comprehend how the revenues of the Government can be mixed up and mingled in the price of the commodities they buy and consume; nor can they fully understand how the merchant and middleman can be the agent of both the Government and the mill men, collecting revenues for the one and premium or plunder for the other.

As soon as they are fully educated on the subject of taxation, and how and from whom it is gathered, these wrongs and outrages will cease, and not until then. To prove the truth of the assertions above, we will select a hat, a pair of shoes, and a suit of clothes. We will say the hat is worth in Liverpool \$1, the shoes \$1, the suit of woolen clothes \$5. Now, if the Government of the United States will permit the importer to bring these goods in this country without paying a duty on them—that is, admit them free of tax or duty—our retail merchants could sell these articles to the consumers for cash, say, the hat for \$1.35, the shoes for \$1.35, and the suit of clothes for \$6.75.

This would be a profit of 35 per cent for the importer and the merchant. Now, take the same articles and place upon them a tariff duty of 43 per cent, which is the present average rates on imported goods. That would make the hat cost the consumer, allowing the same profits to the importer and the merchant as before, \$1.93; the shoes, \$1.93, and the suit of clothes, \$9.63. Without any tariff the three articles would cost the consumer \$6.45; with the tariff they would cost \$13.57; with no tariff, the consumer saves on the three articles \$4.06; with the tariff duties on, he loses \$4.06. Now, this is the meaning of protection. It means that the home-made goods will sell for exactly the same price as the imported goods, because the importer and the home dealer will agree to sell for the same price. If not, the home-made goods would soon, by competition, drive out and keep out all foreign goods. But they pool their issues, and the importer makes 10 per cent clear profit and the maker of home-made goods makes 53 per cent profit, provided it cost the same to make a hat, a pair of shoes, and a suit of clothes in England as here.

Now, we have the raw materials, with few exceptions, at home. We have the finest, the latest improved, and best machinery in the world. We have the finest mechanics, artisans, and skilled scientific workmen in the world. We have more water power and the finest water power on the top side of God's footstool, amply sufficient to turn every machine in all Asia, Africa, Europe, and all of both North and South America. We are now making and selling agricultural implements, woolen and cotton fabrics of all kinds, and every kind of machinery from a sewing machine to a 100,000-horsepower engine, in competition with all the world. We have a climate unsurpassed for business, pleasure, health, and cheap living, it being neither too cold nor too hot—a climate and country subject to neither droughts, famines, pestilence, epidemics, nor earthquakes. We neither have nor need a large standing army, as other nations of the earth, eating out their vitals. We are blessed as no other nation of the earth is blessed, and surrounded as no other people of the world is surrounded, with more of God's natural and physical gifts. With all these manifold blessings, natural advantages and defenses, natural and inexhaustible resources, with vacant lands enough to raise sheep enough to clothe and cattle enough to feed all America, and with a cotton-producing capacity ample and sufficient to produce cotton enough to clothe the entire world, we can compete with all the civilized nations of the earth. And if we can not, with our hundred years of experience and boasted greatness, we ought to retire from the contest. We ought not to follow any business in which a hundred years of experience and competition and protection have not placed us in the front ranks.

Under all the circumstances surrounding the United States we ask, and we ask in all seriousness, why should any industry in this age and generation be protected over and above any other industry? Why should any special privileges, advantages, or peculiar rights and benefits be granted by legislation to any calling, profession, business, or avocation? Why should the laws discriminate against one business or class and in favor of another business or class? If all could be protected exactly alike and to the same extent, no one would be benefited and no one would be damaged, and if no one in contradistinction to anyone else was either benefited or damaged by protection or non-protection, no one would want either protection or nonprotection. But the very meaning of the phrase "tariff for protection" means and intends to give one man, or class, or section, or business, or industry an advantage and benefit over other men, classes, sections, businesses, and industries. If this is not so, why ask for protection, why demand or desire a thing which is of no service or benefit? Protection is a gentle, gentlemanly way of taking a man's labor or property without compensation. Protection is a decent mode, devised by the cunning, crafty, and greedy, to pluck the money out of one man's pocket and transfer it to the pockets of others without detection or prosecution. Protection is the constitutional and legal *modus operandi* whereby robbery is authorized, Christianized, civilized, and legalized.

Now, in order to understand the magnitude of the wrongs inflicted upon the people by the infamous protective system, as we understand it, let us return for a moment to our hat, shoes, and suit of clothes. We have seen that they cost the consumer \$4 more under the protective system than under the free-trade system.

Our population is about 80,000,000 in the United States. Assume that both male and female, white and black, little and big, rich and poor, all consume just one hat, one pair of shoes, one dress or suit of clothes every twelve

months, the \$4 extra cost to each individual because of the tariff would be \$4, and to the whole people it would be \$20,000,000. Now, multiplying this amount by five, because our calculation did not include one-third or one-fifth of the goods consumed annually by the people, and you have the sum of \$1,000,000,000, one hundred and sixty millions of which found its way into the Treasury, and the other \$1,400,000,000 found its way into the pockets of the home manufacturers by the increased price of the products of their mills through the protective-tariff system. Suppose the average consumption of the people outside of meat and bread is \$30. Thirty times eighty millions are twenty-four hundred millions of dollars; one-third of this amount is the increase, because of the tariff, which is \$800,000,000 clear steal from the hard earnings of the people, or, to put it in a more genteel phraseology, clear legislative profits to the mill owners of the United States. I could write a month on this subject and not exhaust the arguments and reasons against it, nor retail half its wrongs, oppressions, and outrages. But I have said enough to give my convictions against this national, local, and individual crime known by the euphonious name, "protective tariff," which has deceived and wronged, and will deceive and wrong, more people than the phrase "honest money."

### The Tariff.

### SPEECH

OF

HON. PHILIP B. LOW,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897,

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. LOW said:

Mr. CHAIRMAN: There is no subject of national legislation that has been thrashed as much, both in and out of Congress, as tariff. Statistics have been exhausted to sponsor arguments for and against tariff measures, and to speak on this great question means to repeat what has often been said in this historic Chamber. It is not my purpose to hew along the line of Government statistics, but to touch upon conditions that have existed in the past, and which now confront us, as affecting the industrial interests of our common country.

We have a fair land abundant in resources, rich in everything, and capable of placing all its citizens above want. Yet on every side we have discontent and growing poverty, which indicates that something is wrong with our existing economic laws. With the experience of the past as a guide, it did seem more than passing strange that a majority was found in 1892 who were willing to follow the lead of tariff reformers under the promise of better times. The people who made that majority had to meet the blackest disappointment and four years of the hardest struggle ever experienced in the business history of these United States, and the only grain of satisfaction that protectionists could extract from the situation was that those who supported the "tariff-reform ticket" had to suffer with the rest of us. They wanted a change and got it, and ever since 1892 the people have been thinking and reasoning to some purpose, as results have shown.

We all know that during the past four years the industrial interests of this country have been floundering in the Democratic morass of hard times. Business men saw their accumulations of years melt away; the toiler and wage earner became enforced idlers, and were obliged to live upon their small but precious savings, until they drew their last dollar from the savings bank. Then they, with their families in a hungry and scantily clad condition, were evicted for nonpayment of rent. Why, in New York City alone, during the year 1896, there were 53,000 dispossess warrants issued, which means over 240,000 human beings turned into the streets during that year. To use an expression made by my distinguished friend from Iowa [Mr. HEPBURN], "What lullaby did the free traders sing" to soothe the anguish and smooth the harrowed feelings of those unfortunate and indigent beings? After such a period of depression, caused largely by existing economic conditions, the majority of the people of these United States, without regard to former political affiliation, came together and in solid phalanx fought during the last Presidential campaign for principles that would open up the avenues of prosperity.

Their triumph last November was a victory never to be forgotten. When the verdict was flashed over the wires the day after election, people gathered on exchanges, in halls and club rooms, and at country crossroads to rejoice. They sang "The Star-Spangled Banner," "My country, 'tis of thee," and after engaging in other appropriate ceremonies, closed by singing the grand old doxology, "Praise God, from whom all blessings flow." Such demonstrations were proper, because the cloud of despair which had hung over our land for four years was lifted, and under its corrugated edges these inspiring words were visible: "Prosperity is near at hand." New hope filled the American heart. Inside of forty-eight hours after the election, capital, which had been lying idle in the vaults, manifested signs of uneasiness and seemed ready to burst the doors of confinement. Enterprises requiring the employment of labor were outlined, and the iron jaws of depression

commenced to relax their hold and recuperation was visible all along the line. Despite all the losses and trials the people have had to endure, the country is still left to us. Thank God, we have the plant safe, which plucky American hearts stand ready to put in operation when the opportunity arrives.

The favorite cry of free traders is that tariff taxes the poor man. When I hear such utterances I want to say to them, "Hold up your right hand and swear that you will tell the whole truth and nothing but the truth."

My esteemed colleague from Alabama [Mr. WHEELER] said that we wanted to tax the poor man's blanket. Let me say to the gentleman, "Tell the whole truth." If we do tax the poor man's blanket, we put money into his pocket not only to pay that tax but to support his family and have a little something left for him to put into the savings bank. When free traders take the tax off the poor man, they also turn his pocket inside out, and he could not buy a pair of blankets if they were selling at \$1 a bale.

Taxing the poor man! Did there ever exist a heavier or a more unjust and heartrending tax than enforced idleness and an empty stomach, which conditions burden the toilers of our country through the workings of free-trade laws? Tell the whole truth and nothing but the truth. Protection to American industries and loyalty to the condition that permits a man to earn his own living in his own country, free from foreign competition, is not an invention; it is a patriotic principle that was adopted by our Government in 1789, during Washington's Administration. The country at that time was deeply in debt, business at its lowest ebb, and not one dollar of revenue coming into the nation's Treasury. The first act passed by Congress was a tariff levying duties upon foreign merchandise. In the preamble it stated, "for the encouragement and protection of American manufactures." James G. Blaine said that "the first act of Congress was a second declaration of independence, and by coincidence was approved by George Washington July 4, 1789. The principle of protecting manufactures and encouraging the maritime interests of America has been distinctly proclaimed—the first law enacted by the new Government. It was the corner stone of the republican edifice the patriots of the Revolution were aiming to construct." James G. Blaine was right. Our forefathers were right. They builded better than they knew, and every time the laws have been changed leaving our industries unprotected financial disaster has followed.

On the other hand, every time a protective tariff has been enforced, prosperity has blossomed throughout the land and employment confronted every citizen, creating a demand and supply in every line of trade. The people understand this, and this is the people's Congress, a protective Congress, and to it the masses look for remedial legislation.

This bill has been carefully formulated to meet the absolute requirements of the nation and is before us to be tempered by hammering it upon the anvil of American interests. The Republican party never enacted a law not in line with American principles. It never passed a law that was an advance agent for starting up English furnaces, at the same time hauling the fires of our own. It never issued bonds to meet the necessary expenses of our Government in times of peace. On the contrary, it always had an earned balance in the Treasury.

Break the lines of free trade by passing this bill, and make this land of ours, under the sunshine of protection, God's country, the land of our fathers once more.

### The Tariff.

### SPEECH

OF

HON. ISRAEL F. FISCHER,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 23, 1897,

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. FISCHER said:

Mr. CHAIRMAN: Believing most sincerely that the country determined in the recent election that it no longer desired to continue under the Wilson-Gorman tariff or under any legislation founded on free-trade ideas, and that the Republican party was returned to power to not only vouchsafe the stability of our currency, but to enact new legislation on the lines of a protective policy, I favor the passage of this bill. It may be true that it is not perfect; that here and there some discrepancies have crept in, and that it might be improved in some slight particular, but on the whole I believe it to be the very best measure that could be framed for the purpose intended and so clearly and succinctly set out in the title.

I have wondered at times while listening to the remarks of some of our Democratic friends in their arguments against the



bill whether they were honest in that opposition or whether they simply opposed because the Republican party proposed. I could not for myself believe that they honestly entertained the idea so oft expressed, that the passage of the bill would work great hardships to the people, and that the next few years would see the downfall of the Republican party as the result, for the reason that if they really believed that to be the outcome they would be highly pleased at the opportunity afforded, and in order to insure our defeat facilitate the passage of the measure.

Truly our friends occupy a most peculiar position. In the midst of heated denunciation there frequently occurs confession of virtue in protection, for you will observe in the remarks of the gentleman from South Carolina that while he condemns protection to manufacturers he calls for protection for the raw materials of his State, as does also the gentleman from Georgia. The former went even further; he claimed that the system of protection instituted by the Republican party was responsible for the great wealth of the East, and that the South and West were impoverished because it did not cover them. Surely this was a most remarkable statement and confession, so far as it went—that is, that protection did protect, and that it did build up prosperity, and that the reverse condition existed in sections which were not covered. The gentleman from South Carolina would have shown himself much more alive to the needs of his people, and would have proven himself a true guardian of their interests, had he sought to include any industry within his State in the bill rather than to oppose its passage.

I do not speak upon the question because I believe that I could say anything or add anything that would strengthen the position of the Republican party upon this class of legislation, and I am forced to say that all of the arguments that have been submitted are likened unto old straw rethashed. The American people have gotten to that stage where the question of protective tariff is no longer a theory, but is a most decided condition. It has been demonstrated to them during the last four years that a removal of protective legislation works great hardship and injury, and they no longer theorize, but demand a reenactment of such protective legislation.

Since the advent of the Democratic party at the time of the election of the Fifty-second Congress we have seen only ruin in our commercial affairs, and where shops prior thereto were busy with the hum of enterprise we have seen nothing since except idleness. And while men were then sought for by the employer, and we enjoyed the fruits of prosperity, we have since then seen the employees seeking the employers, with results only too well known to all of us.

Our Democratic friends seem to lay great stress upon remarks so often made by them during the course of the debate relative to protection fostering trusts. It is not necessary to spend any amount of time answering the charges, for I consider it only necessary to remind them that trusts were never more numerous or their acts so prolific of beneficial results to their promoters as they have been during the past four years, and that their attention need simply be called to the fact that throughout the entire Union in the legislatures of nearly every State during the past two years there have been loud demands for legislation against these trusts. The workingman of this country has learned by ample demonstration made by Democratic tariff legislation that the oft-repeated cry that free trade was beneficial to him and made trusts impossible is false, and has concluded and did decide in the elections of 1894 and 1896 that he wished a return to Republican policy in order that he might once more earn a livelihood, which, as a matter of right, he was entitled to.

There are a few provisions in the bill in which I am particularly interested, inasmuch as many of my constituents are engaged in the industry provided for. I will address myself first to the duty on gold and silver leaf. By reason of the beneficent provisions of the McKinley bill manufacturers of this article were enabled to find a market in this country for their goods at a fair profit, and men and girls employed by them earned a decent livelihood. In the Twenty-sixth Ward of Brooklyn, in which I live, many men and girls were thus employed, but since the advent of the Wilson bill these articles have been purchased from Europe, and our shops in consequence were closed most of the time, and when open only provided scanty wages for our people. It seems that under the McKinley bill good mechanics averaged about \$18 per week, whereas under the Wilson bill they averaged about \$5 per week, and German manufacturers were able to lay down goods in this market at a price equal to that formerly paid to our mechanics for their workmanship alone, not taking into consideration cost of material and rent and profit of the employer. This section will once more permit our workingmen to earn wages formerly received by them, and will restore to prosperity in this ward alone at least 300 families who have been suffering untold hardships during the past four years. I had hoped for a little higher duty on Dutch metal leaf, but it seems that I must content myself with the rate offered.

Another industry included in my district and provided for by

the bill is the braid and straw dyeing, for which a duty of 10 per cent is provided. By actual figures, the foreigner could dye and deliver these goods in our markets for at least 10 or 12 per cent less than we could produce them at home, and the result during the past four years has been that our dyers were receiving no work, except little odds and ends turned over to them by hat manufacturers here, who had concluded to alter the colors on straw braids which they had in stock. The conditions under which the dyers labored were peculiar, inasmuch as they were compelled to pay a duty on dyestuffs and pay decent wages to apply them to the article for which they were intended, while European dyers could apply them to the articles, paying European wages for work, and then land the finished article here free of duty. This was surely legislation seemingly enacted to injure American manufacturing in the interest of the foreigner, but this will now be changed, and the duty levied by this bill will so even up conditions that hereafter this unfair competition will cease.

This bill also spreads its protection to another industry located in the city which I have the honor in part to represent, and which affects many of the workmen therein engaged, who reside in my district. I refer to the tin industry. When the McKinley bill provided a tariff to cover tin, there sprang up in the city of Brooklyn one of the largest tin factories in the country, and its proprietors, who had formerly been staunch Democrats, recognizing that the party to which they were formerly allied was not benefiting them by their course, have since supported the Republican party, and have never lost an opportunity to praise its policy. That industry gave employment to a large number of men, and has added to the material wealth of our citizens, but since the passage of the Wilson law, all has been changed, and this bill will again restore it.

The workings of the Wilson bill have proved disastrous even to importers, for while it is true that the arrangements enabled them to bring goods into our market at lower prices than they could under a protective tariff, yet the misery which it brought to American homes and the panic it caused in our commercial affairs have left our people without money wherewith to purchase at any price, and one importer whom I know personally has confessed to me that he would rather pay \$5 more on every \$100 worth of goods under conditions existing under a protective policy (knowing he could bring them into this country and dispose of them amongst a prosperous people) than to save that impost and bring them into a poverty-stricken country where there is no market, as was the case during the existence of the Wilson tariff law.

The Democratic party, at the time of the adoption of the Wilson bill, promised much to the farmers of our country, and predicted that its enactment would insure the success of the Democratic party, which meant prosperity to them. They were to have the markets of the world thrown open to them under the beneficent workings of free trade. Let us observe its workings:

In 1892 we sold to the world 2,800,075 bushels of barley for \$1,751,445, while in 1895 we sold only 1,563,754 bushels for \$767,218, a falling off of 236,321 bushels and a loss of \$984,227.

In 1892 we sold to the world 637,972 bushels of beans and peas for \$945,767, while in 1895 we sold only 242,682 bushels for \$429,006, a falling off of 395,290 bushels and a loss of \$516,761.

To show you how farmers captured the markets of the world, I wish to call your attention to a few more figures. In 1892 foreign farmers sold to us 874,050 bushels of beans and peas of the value of \$937,824, while in 1894, under the Wilson-Gorman tariff, they sold us 1,535,913 bushels for \$1,548,749. Thus the American farmer on this one class of product suffered the loss represented by this difference, amounting to \$590,925.

In 1892 we sold in the markets of the world cattle of the value of \$35,099,095, while in 1895 we sold only \$30,603,796, a loss of nearly \$5,000,000. On the other hand, "the world" sold to us in 1892 \$47,466 of cattle, while in 1895 "the world" sold to us \$765,853, a gain for the foreign dealer of over \$718,000.

In 1892 we raised 70,626,658 acres of corn, amounting to 1,628,464,000 bushels, of the value of \$642,146,630, while in 1895 we raised 82,075,830 acres of corn, amounting to 2,151,138,580 bushels, of the value of \$567,509,106. Over 11,000,000 more acres of corn, producing over 500,000,000 bushels more in 1895 than in 1892, yet the smaller crop of 1892 was worth \$75,000,000 more than the larger crop of 1895.

In 1892 we exported flour of the value of \$785,404,928, while in 1895 we exported only \$751,651,928, a falling off of about \$23,000,000.

In 1892 we raised 150,000,000 bushels of potatoes on 2,411,500 acres, worth \$100,950,000, while in 1895 we raised 297,237,470 bushels on 2,954,952 acres, worth only \$78,984,901—nearly twice as many bushels, yet worth only about \$21,000,000 less than the smaller crop.

In 1892 we had 44,938,365 head of sheep, worth \$116,131,370. In 1896 we have only 38,298,783, worth only \$65,167,735, only a little over half.

In 1892 we sold to the world wheat to the value of \$161,399,132, while in 1895 we sold the same commodity to the value of \$43,805,663, a loss of over \$117,000,000.

The Democratic Secretary of Agriculture, in his report of 1893, page 48, says:

The question then comes up whether some, perhaps much, of this great total of annual agricultural imports, aggregating in value some \$350,000,000, ought not to be produced upon our own soil, in proximity to those of our own markets, where this immense demand exists; and the truth is, it could and should be so grown.

I desire to read here a table collated by Mr. Nathaniel McKay, under date of August, 1896, showing wages paid in the United States compared with those paid in Great Britain.

Mr. McKay is a gentleman who had devoted much time and energy to the investigation of matters of this character, and from my knowledge of the man, I have no hesitancy in declaring my belief in the absolute truthfulness of the statement:

In the United States a blacksmith receives 102 per cent more than in England.	
In the United States a bricklayer receives 125 per cent more than in England.	
In the United States a carpenter receives 165 per cent more than in England.	
In the United States a calker receives 120 per cent more than in England.	
In the United States a conductor (express) receives 349 per cent more than in England.	
In the United States a car driver receives 38 per cent more than in England.	
In the United States an engineer (locomotive) receives 191 per cent more than in England.	
In the United States a fireman receives 186 per cent more than in England.	
In the United States a machinist receives 136 per cent more than in England.	
In the United States a plasterer receives 111 per cent more than in England.	
In the United States a plumber receives 143 per cent more than in England.	
In the United States a telegraph operator receives 103 to 154 per cent more than in England.	
In the United States a train dispatcher receives 315 per cent more than in England.	
Laboring men in London.....	1,912,000
Trades union societies, 519.....	1,000,000
Average pay of English workmen.....	\$1.80
Average pay of American workmen.....	\$3.88

#### The Tariff.

#### REMARKS

OF

HON. WILLIAM V. SULLIVAN,

OF MISSISSIPPI,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897,

On the bill (H. R. 907) to provide revenue for the Government and to encourage the industries of the United States.

Mr. SULLIVAN said:

Mr. CHAIRMAN: The question now pending for consideration has been so thoroughly discussed by stump speakers during the last canvass, and here by each member on the floor, that one can scarcely expect to contribute anything new on the subject; and if he expected to do so, that expectation would evidently be doomed to disappointment.

There is, however, one thought in this controversy that suggests itself—not one vote will be changed by all the discussions that may be indulged in here upon this measure, because the Democrats and their Populist friends and others have been elected by their respective constituencies upon definite different lines from those written in the bill.

The line of demarkation between the two great parties is not shrouded in mist, or doubt, or difficulty; it is clear, it is deep, and suggests the destruction that must follow the passage of this bill.

Taxation and confiscation are twin brothers. Taxation is only tolerable upon the theory of absolute necessity to raise revenue to meet the actual requirements of the Government.

It has never been, by any disinterested, fair-minded statesman, contended that it was allowable to protect one class at the expense of another, no matter under what disguise the evil effects may have been concealed.

Protection means a partnership between private individuals and the Government as controlled by the dominant party, in the interest of the favored class, the class protected to the injury of all other classes.

History uniformly demonstrates the fact that the agricultural and laboring classes suffer always from protective legislation. The investments of the rich are enhanced and the poverty of the middle and lower classes intensified. Protection is dishonest in theory and in fact. It would be as honest from a moral standpoint to hold one up on the highway and take from him his purse and give it to another as to levy a tax upon one class to build up and enrich another.

Can it be anywhere written in the Constitution of this Govern-

ment, as discovered by fair interpretation (even between the lines), that there is authority to levy a tax one of the avowed objects of which is to protect one class at the expense of another?

This bill by its very title shows that it is not for revenue only, but for protection, with that latter word written in capital letters. A mere casual examination of this bill will show that the protection which is provided by it is protection alone for the strong, not for the weak; for the rich, not the poor; for the manufacturer, not the masses.

From the far Southland I come, and I have listened carefully, eagerly watching and waiting to find in this measure one word, one line, one thought, written to advance the interests of the South or of my State. It is not there written; it can not be found: and yet we are asked to support this bill.

It taxes everything that the farmers and laborers have to buy and makes the necessities of life dearer to them.

The true theory is, and must inevitably be, in levying any duty upon importations, to levy such duty only as is necessary to defray the expenses of the Government, properly and economically administered, and this should be so distributed as to bear alike upon every person in proportion to his rank, property, and position in life.

One cent more levied is legislative robbery; one cent levied to protect an industry, whether falsely called an infant industry or not, is to that extent a legislative theft. Yet it is with astounding effrontery confessed by the advocates of this bill that it is intended to protect the favored classes. Not only so, but in this Hall this day the gentleman from New York [Mr. RAY] had the temerity to say that the Republican majority ought to pay no attention to anything that the other side of the House might say on the subject of the tariff, but should pass the law at once. In other words, it is fair to infer that the Republican majority propose and will pass this bill in defiance of the will of those people who happen to be represented by other than Republicans, and that without proper amendment, fair discussion, or deliberation.

Reasonable time for the examination, comparison, and discussion of the various provisions of the bill has been denied to our side of the Chamber. The Republicans have taken three months, cloistered with representatives of the combines and trusts, in the preparation of this bill. On Monday the Republican majority passed the resolution which requires the summary and prompt passage of this act without reasonable, fair, and legitimate discussion; and when we complain of this we are told that the last election, having returned a Republican majority, settled the question; that we have no right even to be heard by way of protest as to anything they may say or do. They must deliver the goods to the manufacturers and trusts that they pledged when they received the money to buy the last Presidency!

The cotton farmer of the South under this bill will have to pay an advanced price for every cotton gin he buys to gin his cotton with; will have to pay an increased price for every tie that goes around that cotton; an increased price for every yard of bagging that covers the cotton, and also an increased price for every plow, every hoe, every shovel, every implement, in fact, that necessity requires him to use in making his hard-earned living, in order to add to the wealth of the manufacturers and the representatives of the combines and trusts.

A Republican some days since stated from his seat here that he was willing to vote for protection on cotton. It may be some are sincere in their desire to distribute this tax burden fairly; but if that side of the Chamber, when it was preparing this bill, had desired to do that which is right and fair, acting from principle, is it not passing strange that no protection was offered to cotton, either the long or the short staple? Is it not strange that every article which we of our section have to buy is to be increased in value?

It is not surprising, when these facts are known, that the Republicans should deny the privilege of discussion, consideration, and debate upon this matter; its provisions would not bear the light of day; yet I say to you their effects will be felt, and they will speak to the American people, within the next two years, more eloquently than all the tongues that any party can put upon the stump.

The rules governing and limiting this debate passed by the Republican majority are unjust, and especially so to the new members of Congress, who have had no opportunity to be heard. It is an outrage upon the people whom the Republicans pretend to represent, but really misrepresent. I protest, therefore, against the passage of this bill, because its purpose is not for levying revenue to economically administer the Government, but for the protection of the favorites of the Republican party who furnished the corruption fund with which to carry the last election and once again to thwart the will of the great mass of the people of the United States; its purpose was not in accordance with the genius of our institutions, the Constitution of our land, nor common honesty between man and man.

It is sectional in spirit, it is vicious in principle, and oppressive to every class that needs the protection and not the destruction of the iron hand of the law.



## The Tariff.

## REMARKS

OF

HON. WILLIAM T. ZENOR,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 25, 1897,

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. ZENOR said:

Mr. CHAIRMAN: The short time allotted to me under the order of this discussion precludes any attempt on my part to enter into any extended remarks upon the bill under consideration. But I would feel, Mr. Chairman, that I would be derelict in the discharge of my duty if I did not avail myself of the opportunity to enter my protest against the passage of the pending measure—a measure, Mr. Chairman, that would, in my judgment, should it pass this Congress and be enacted into law, be fruitful of all the evils that have ever been the inseparable concomitants of excessive, unjust, and oppressive taxation; a measure that is fraught with hardships and indefensible discriminations too numerous to be mentioned, much less pointed out and discussed in detail by any member upon either side of this Chamber in the limited time assigned for such discussion.

I am, Mr. Chairman, like many of my colleagues on the floor of this House, a new member—for the first time assuming the responsibilities and duties devolving upon a Representative and member of this body. Naturally enough, I approach the discharge of those duties with that care and caution which, I trust, is not unbecoming to want of experience and lack of familiarity with its manner and methods of business, a knowledge of which can only be acquired by time and service. But in the presence of what I conceive to be an emergency for action—wherein no gentleman, standing here as the representative of more than 170,000 people, the equals of any like number in any other section of this Union in all of the essential elements of the highest order of citizenship, can have any excuse for not solemnly protesting on the floor of this House in the name of common justice, and the menaced rights of the great mass of the people, against the outrage and nameless crime threatened to be perpetrated upon the American people through the passage of this proposed measure of legislation; a measure gotten up by its framers, advocates, and defenders for the avowed purpose of protecting the manufacturers of the United States, which must, in my humble judgment, if it succeeds, exact new tribute at the expense of the farmer, the laborer, and all other legitimate vocations; that must inevitably entail upon the consumers of the country, if it shall result in the accomplishment of its avowed purpose, higher prices for the manufactured goods, and foster and build up the trusts and combines that have at all times been the legitimate offsprings of such a system of taxation. It will not do for the friends of this monstrous combination of schedules and high and prohibitive rates of duty proposed to be levied upon all the necessities and comforts of life of the already oppressed and overburdened taxpayers to deal in general proclamation of the national necessity of raising more revenues with which to meet the expenditures and outlays of the Government; nor will it suffice for them to indulge in the oft-repeated campaign stock-in-trade argument that for the last three years, under the operation of the Wilson bill, the revenues derived thereunder were insufficient to meet the demands upon the public Treasury; for the report of the majority of the Ways and Means Committee, accompanying the report of this bill, bears upon its face conclusive evidence of the falsity of these claims.

In the first place, Mr. Chairman, this report shows that under the provisions of the pending bill it will raise \$118,000,000 in excess of the amount of revenues derived from the same source under the present existing law, known as the Wilson bill. In the same report it is admitted that the receipt of customs duties under the Wilson bill last year—1896—only fell short of meeting the expenditures of that year in the sum of \$25,000,000, thereby showing that, conceding all that is charged to the defects of the Wilson bill, and admitting still further the truth of the claim that under the Wilson bill a deficit was created in the Treasury in the sum of \$25,000,000—that it lacked this much of producing sufficient revenue to meet the expenditures (all of which is due to the Supreme Court decision in striking down the income-tax clause)—yet the stern and stubborn fact remains, in fact stands as openly confessed in this majority report, that the Republican party propose, and this under the inspiration of the urgent insistence of the President in both his inaugural address and in his message convening this Congress in extraordinary session, to levy further additional tribute and tax to what they already pay upon every man, woman, and child throughout the length and breadth of the land—the sum of \$118,000,000, which, according to their own showing, is in

excess of any deficiency that arises under the present law of \$90,000,000.

For what purpose, Mr. Chairman, is it claimed that this immense tribute should be exacted from the people of this country? No explanation is made; none is attempted by the able and astute gentlemen upon the other side of this Chamber, and I assume that none can be made satisfactory to the people of this country, who have the same to pay. And we challenge and are ready to meet the issue made by such reckless and extortionate legislation. Can anyone conceive of any possible excuse upon any legitimate grounds for such an iniquitous measure? Can anything be said by the distinguished champions of high protection in excuse or even in mitigation of such a drastic measure in times like these, when the people are protesting against the evils of vicious class legislation? I apprehend that under the present existing condition of things, with money scarce and prices of property ruling low, with a constant and ceaseless tendency to still further depreciation confronting them, that it will be very difficult, if not entirely impossible, for the members of this House who dare to vote and fasten upon the people this great burden, in the absence of some high and imperious necessity, ever to be able to explain away their action here. Their voice and votes in defense of this policy will, in my judgment, as it should, relieve them from the cares and anxieties of state.

But I have not time to dwell; I must hasten on. I come now, Mr. Chairman, to the consideration of a proposition made by the distinguished gentleman from Illinois [Mr. HOPKINS], in the course of his speech upon this floor the other day. This gentleman took great pains and laid a great deal of stress upon the fact, as he stated it, that under the McKinley tariff bill and other high tariff measures of his party, and the general policy of high protection advocated and enforced by the Republican party, the country had grown immensely wealthy, and the people had always been prosperous, happy, and contented under their rule; that labor was employed at high and remunerative prices; that under the last Republican Administration all the favorable conditions existed to which he claimed was due all the evidences of prosperity of which he spoke.

He further alluded to the increased number of farm animals—horses, cattle, sheep, hogs, and other animals reared upon the farms—then in the United States, and the rapid decline in the number of these various kinds of animals under the policy of the Democratic Administration just retired from power, with what he chose to denominate its free-trade fallacies, and then proceeded to cite statistics to show the truth of his assertions, as well as the further fact, as he insisted, that under President Harrison's Administration and the operation of the McKinley bill the revenues were at all times adequate to meet the public expenditures. But I observed, Mr. Chairman, that during the entire speech of the distinguished gentleman, as well as others that followed on this line, he studiously avoided any reference to the important fact that during the entire period covered by Mr. Harrison's Administration, under the operation of the paralyzing policy of the McKinley law and the financial policy with which that law was supplemented by President Harrison, there was a constant and steady decline in the prices and value of all kinds of animals, as well as all other species of property, which unfortunately has never been arrested, to the great and irretrievable loss of the American farmers.

Now, Mr. Chairman, I desire briefly to address myself to the consideration of a few of these propositions of the gentleman from Illinois and others on that side of the Chamber who followed in his wake on this line, and to show, if possible, by the citation of a few statistics taken from the Government reports, that the whole of the claim made and urged in argument upon this floor (by the gentlemen upon the other side of this Chamber) in behalf of the policy of high protection as benefiting the farmers of this country in the respects to which they have referred is not only not tenable, but is absolutely without merit and contrary to the actual facts.

Before I proceed to do this, Mr. Chairman, I desire, in the first place, merely to incidentally refer to some general principles that must control in the formation of all tariff schedules.

Under the Constitution of the United States the principal revenue of the Government must be derived from the tariff. There are two principles upon which tariff schedules are adjusted, revenue and protection. The tariff for revenue rests equally upon the 70,000,000 of people of the United States, and, so far as the incidental protection afforded is concerned, it affects favorably the 9,000,000 engaged in agriculture and 4,000,000 engaged in manufactures. All producers profit alike; all consumers pay alike. The rates of prices as between the manufactured and farm products rest upon the basis of value. Under the protective tariff, the 9,000,000 producers of farm products stand all of the burdens and the 4,000,000 producers theoretically reap all of the benefits; in fact, the few thousand men who employ those 4,000,000 reap all the benefits. A revenue tariff is scarcely felt by reason of its equality; a protective tariff makes millionaires of the few and paupers of the many.



I do not intend to discuss the theory of tariff. I want to briefly and dispassionately call attention to the figures compiled entirely from Government reports, showing absolutely beyond controversy that what I have said is true as a matter of fact, not of theory.

The general revision of the tariff since the civil war that comes nearest being for revenue purely was that of 1872. The most distinctively protective law during the past thirty years is the act of 1890, known as the McKinley law. The operation of these two laws can be the more accurately compared, as both were passed at periods when reckless speculation had brought about financial depression. The law of 1872 was followed by a panic in 1873; the law of 1890 was not a month old when a panic came. Admittedly the panic of 1873 was more violent than that of 1890. Hence, without charging either law with causing the depression, I will compare their operations during like periods of financial depression, taking the four years of the McKinley law as compared with the first four years of the act of 1872. This latter law was by no means a perfect one, but it is the best for comparison. The Wilson law, which was so amended by the Senate that its sponsor, President Cleveland, refused to recognize it, is little less protective than the McKinley law, and I will therefore, in connection with the comparison of the operations of the laws of 1872 and 1890, give the results under the Wilson law.

In 1872 the United States was unfortunately engaged in a policy of contracting the currency. In 1872 there was \$18.10 per capita in circulation; in 1873 there was \$18.04; in 1874, \$18.13; in 1875, \$17.16; in 1876, \$16.12. When the McKinley law was passed, a more fortunate condition prevailed, and the policy of the Government was to expand the circulating medium. In 1890 there was \$22.82 per capita in circulation; in 1891 there was \$23.41; in 1892, \$24.44; in 1893, \$23.85; in 1894, \$24.28, or 50 per cent more money in circulation than in 1876. But times were much harder, as shown by the fact that in 1894, the close of the four years of the McKinley law, there was a total amount of money of \$35.39 per capita, or \$11.11 per capita that could not be circulated, while in 1874 there was but 70 cents per capita not in circulation. Hence the financial conditions were more favorable for the success of the McKinley law than for the act of 1872. The receipts for 1872 were \$9.22 per capita; 1873, \$8.01 per capita; 1874, \$7.13 per capita; 1875, \$6.55 per capita. The receipts from 1890 to 1894 were: 1890, \$6.44 per capita; 1891, \$6.14 per capita; 1892, \$5.43; 1893, \$5.77; in 1894, \$4.36. During the panic of 1873 and the operation of the McKinley law are the only times in the history of the United States when the receipts did not equal the expenses. The law of 1872 brought \$1.64 per capita more than the expenditures the first year. It lacked 34 cents per capita in 1873, 64 cents in 1874, 36 cents in 1875, and produced a surplus every year thereafter. The first year the McKinley law lacked 2 cents per capita of producing expenses; the next year, \$2.04 per capita, and the last year of its operation, \$2.43 per capita. Not a single year did it produce enough revenue to defray the expenses of the Government. The revenue on customs per capita was, in 1872, \$5.23; 1873, \$4.43; 1874, \$3.74; 1875, \$3.51; in 1890, \$3.62; from which it fell to \$3.39, \$2.66, and \$2.97. The average percentage of free merchandise under the act of 1872 was 26.90; under the McKinley law, 56.30. The average rate of duty on all goods imported free and dutiable under the act of 1872 was from 26.68 to 30.19; under the McKinley law, from 21.26 to 25.25.

I am now comparing the operations of the two laws under like periods of financial depression, in order to do no injustice to the protection theory.

The average prices of corn during the four years of the law of 1872 was 47 cents a bushel; under the McKinley law, 40 cents a bushel. The average price of wheat during the first four years of the law of 1872 was \$1.03 a bushel; under the McKinley law the average was 63 cents a bushel. Rye showed 76 cents, as compared with 51 cents; oats, 52 cents, as compared with 29.54; barley, 91 cents, as compared with 41 cents; buckwheat, 80 cents, as compared with 55 cents.

The friends of the bill now under consideration have referred to the increase in farm animals (especially the distinguished gentleman from Illinois, Mr. HOPKINS) under protection. I am not prepared to dispute the proposition that the McKinley law brought fecundity to mares and cows, but it was disastrous as to the value of those animals. The Department of Agriculture reports that in 1872 there were but 8,990,900 horses, while there were 15,893,318 at the close of the operation of the McKinley law in 1895, but the 8,000,000 were valued at \$659,707.916 in 1872, and the 15,000,000 were only worth \$576,730,580 in 1895. It is true that, covering the same period of which I speak, mules increased from 1,276,300 under the law of 1872 to 2,333,108 under the McKinley law, but they decreased in value from \$121,027,316 for the 1,276,300 in 1872 to \$110,927,834 for 2,333,108 in 1895. It is true milch cows increased in numbers from 10,303,500 under the law of 1872 to 16,137,596 last year, but they have steadily decreased in value from \$329,408,983 in 1872 for the 10,303,500, the number at that time, to \$263,955,545 last year for the whole number, 16,137,596, in 1895. Under a revenue tariff they increased in value; under a protective

tariff they steadily decreased. The farmers did not lose less than a thousand millions of dollars under the McKinley law by reason of the decline in prices and values. The manufacturing sections of the country increased their per capita wealth to four times that of the agricultural sections, and yet thousands of people were destitute and out of employment in those favored localities. It was a creator of millionaires and paupers; a thousand paupers to each millionaire. The urban population in the North Atlantic States constituted 49.31 per capita of the total; in the South Atlantic States, 7.76 per cent; in the North Central States, 31.69; in the Western States, 4.97 per cent. These people are the only ones who can be benefited by protection, and at least one-half of them will be directly injured. Shall we legislate in favor of this very small minority and against the great majority, or if discrimination shall be indulged, should the rule not be reversed?

What do we need so great a revenue for? During the years that this country was recovering from the effects of the civil war the expenses, which had never exceeded \$2 per capita before the war, rose, and were in 1877, including pensions, \$5.83 per capita; in 1878, \$5.54; in 1879, \$6.15; in 1890, \$6.48; in 1881, \$6.05; and strong speeches were made in Congress against that terrible extravagance. They were \$7.40 in 1891; \$7.44 in 1892, and \$8.10 in 1893. What extraordinary expenses were there during the Republican Administration of President Harrison that justified such tremendous outlay of the people's money?

One of the methods of disposing of surplus funds that arise under the tariff laws can be seen by a reference to the figures of expense involved in collecting duties in certain ports. The figures for the year 1893, the last full year of the McKinley law, are given as one item, among many others which I have not time to mention, tending to illustrate the useless and inexcusable extravagance in public expenditures:

Port.	Duty.	Expenses.
Alaska	\$7,351.01	\$18,265.63
Humboldt	489.93	3,453.35
New London	3,507.14	3,752.34
Apalachicola	122.24	2,531.43
Fernandina	20.00	2,256.88
Pensacola	4,079.56	14,467.80
St. Augustine	846.11	1,713.94
St. Marks	1.62	2,349.90
Brunswick	417.02	5,237.25
St. Marys	0	1,390.05
Cairo	0	250.00
Galena	0	250.00
Quincy	0	297.82
Rockland	0	350.00
New Albany	0	470.00
Keokuk	0	660.18
Sioux City	0	1,437.02
Paducah	0	344.56
Techa	0	3,558.74
Belfast	764.50	2,005.49
Castine	102.43	2,441.62
Frenchmans Bay	2.00	3,480.47
Kennebunk	0	599.00
Machias	171.53	2,002.86
Seco	0	375.65
Waldoboro	1,120.31	5,700.57
Wiscasset	0	2,819.32
York	0	250.00
Annapolis	0	1,000.25
Eastern district	0	2,236.88
Barnstable	0	4,086.19
Edgartown	0	2,189.18
Gloucester	8,367.00	12,254.90
Nantucket	60.00	187.50
Newburyport	918.71	1,088.35
Salem and Beverly	1,955.85	6,267.72
Michigan	2.40	5,657.00
Natchez	0	500.00
Pearl River	100.00	5,907.13
Vicksburg	0	500.00
Burlington	0	216.00
Bridgeton	0	122.50
Great Egg Harbor	0	808.82
Little Egg Harbor	0	357.00
Dunkirk	886.13	1,302.62
Sag Harbor	0	416.96
Albany	0	1,755.39
Panama	2.65	3,728.21
Beaufort	0	1,127.12
Wilmington	7,302.68	9,758.08
Southern Oregon	0	1,811.11
Yaguina	0	1,100.07
Erle	1,899.65	3,691.70
Beaufort	9.00	4,619.41
Bristol and Warren	0	150.00
Georgetown	0	1,063.55
Chattanooga	0	465.12
Brasos Santiago	492.86	32,598.55
Corpus Christi	14,453.90	29,498.06
Alexandria	34.00	1,305.51
Newport News	10,965.45	13,443.46
Norfolk and Portsmouth	8,461.00	11,225.47
Tappanhook	0	845.00
La Crosse	0	282.50
Total	75,011.68	297,765.84

Making \$192,754.16 of excess of expenses over receipts.

No port has been given in this list where the receipts equal the expenses. Many of them have not had a pound of merchandise for twenty years. They are kept up seemingly by reason of political influence, and not for the public good. That all ports must be watched is true; but that they should be so expensive when they transact no business does not look right; nor that there should be so many interior ports kept up, at a loss to the Government.

Again, Mr. Chairman, there is one other item in this bill to which I want to call attention, in Schedule F—leaf tobacco. The increased rate of tax or duty levied upon the item of leaf tobacco, which includes the Sumatra wrapper for cigars, suitable for cigar wrappers, will drive out of business a large number, if not all, of the small dealers engaged in the manufacture of cigars throughout the country. The pending bill proposes to increase the rate of duty on this item from \$1 per pound—levied under the Wilson bill—to \$2 per pound, thus doubling the tax upon this article.

Now, Mr. Chairman, can anyone fail to see that this proposed increase of taxation is directly in the interest of the large and prejudicial to the small manufacturers, all of whom use this article in the manufacture of cigars? What motive do you suppose could have induced the majority of the Committee on Ways and Means to double this tax, except to accommodate the wishes of those interested in the large cigar manufactories, who were able to appear before that committee, either in person or through employed and paid agents and representatives, to persuade that committee of the wisdom of their action in thus increasing the tax on an article in which they were so vitally interested, while the small dealer was unable to make his pilgrimage to the sittings of this committee and explain to them the injustice and inexcusable outrage resulting to that class of dealers by yielding to the demands of the men who take the advantage of this species of favoritism to form trusts and combinations through which to control prices and force up profits?

Mr. Chairman, in my part of the State which I have the honor in part to represent reside a number of these small cigar dealers, some of whom have written me personal letters protesting against the injustice of this change, and saying that if the proposed bill passes they will necessarily have to retire from business. The law as it now stands operates seriously against this class of dealers. It requires of all dealers engaged in this manufacture, in order to utilize the scraps and cuttings of this business (which constitute quite an important item in the business of cigar manufacturers), to procure a separate building and give bond of \$2,000. The law permits these dealers to manufacture and convert into smoking tobacco these scraps and cuttings, and sell and dispose of them as such, and thereby to realize a fair and remunerative price for this waste; but before the dealer can do this, under the law, he must provide a separate building from that in which he carries on his main occupation, in which to put up such smoking tobacco, and, in addition, he is required to file bond in the sum of \$2,000. Up to within a few years ago this class of dealers was allowed to put up such smoking tobacco in the same place in which they manufactured the cigars and without bond; but later, through the procurement of the smoking-tobacco factories, aided by the large cigar factories, they secured the adoption of the law to which I have referred, to the great injury of the small cigar manufacturer, and under this law he is compelled to sell his scraps and cuttings to the larger dealers at about 6 cents per pound, whereas, prior to that time, he could realize from 25 to 28 cents per pound; and, Mr. Chairman, the increased price of the Sumatra wrapper by the increase of the tax, together with the other difficulties of which I have before spoken, must, as has been suggested in the letters to which I have referred, inevitably drive out of business or so cripple the small dealers that the future prosecution of their business will be attended with a constant menace of loss.

Now, Mr. Chairman, having briefly called attention to this one item, of the numerous items included in this bill, and this, too, largely to emphasize the protest being made against it by the small dealers to whom I have alluded, I proceed to my conclusion.

In all essential respects the bill under consideration presents all the evils of the McKinley law—the unfortunate act which bankrupted thousands, reduced the farmers almost to penury, resulted in overproduction and consequent closing down of mills and factories, throwing workmen out of employment, and filling the country with men tramping along the railroads and the public highways. It has the features which caused the leading industries of the country to be controlled by trusts. A few men will make millions of dollars out of it, but it offers no hope to the already overburdened producer. He must pay more for what he buys, and sell what he raises for whatever the millionaires please to allow him, or what he can obtain in the open markets of the world without protection. It is a dark prospect for the masses. No ray of light, no good words of cheer are shed or reflected throughout all the carefully prepared pages of this modern monstrosity of inequalities and

injustice, falsely entitled "A bill to provide revenue for the Government and to encourage the industries of the United States," from which a long-suffering, patient, and forbearing people can hope to realize the fond and pleasing anticipations with which they were induced to look forward to the triumph of the party upon whose assurances of returning prosperity and better times they were led to turn the tide of battle in a doubtful campaign.

In the light of our past history and the lesson taught by the experimental tests and practical operation of the two methods and systems of tariff taxation to which I have only briefly, very briefly, called attention, it does seem to me that the highest duty of the hour, the gravest considerations of the public interest, as well as the most imperious demands of the situation with which the country is confronted call upon us to return to those fundamental maxims of government promulgated by that matchless statesman and patriot, the immortal Jefferson, who, in his inaugural address, stated, among the fifteen propositions laid down as constituting the bright constellation of principles that underlie the American Republic, that guided and protected us through all the years of revolution and our past development, equal and exact justice to all men; economy of public expenses that labor may be lightly burdened. Let us again incarnate and emblazon on the banner of our faith and creed, in letters of living light, where all men may read, that we, the followers and disciples of the immortal Jefferson, the author of our Declaration of Independence, and the founder of that party which has always professed to believe in and practice the virtues of the great truths to which he gave utterance, as essential to the perpetuity, power, and glory of the free institutions erected thereon—let us reaffirm our allegiance to the principles of Jeffersonian Democracy by reasserting the sentiment expressed by that great leader at the close of his eventful life—that we do not believe that the mass of mankind was born with saddles on their backs, nor a favored few booted and spurred to ride them legitimately, either by the grace of God or the American Democracy, and which was illustrated by that immortal hero, General Jackson, when he declared his fidelity to that policy in the administration of public affairs that guaranteed to its citizens equal and exact justice to all and special privileges to none.

Such a government and policy, as was said by General Jackson, would, if administered in accordance with the spirit in which they were conceived by the fathers, shed its blessings like the gentle dews of heaven, unseen and unfelt, save in the freshness and vigor which they contribute to produce.

### The Tariff.

### SPEECH OF

HON. LEONIDAS F. LIVINGSTON,  
OF GEORGIA.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 24, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. LIVINGSTON said:

Mr. CHAIRMAN: In discussing the pending bill, I am reminded of the fact that, as a member of the minority, nothing that I can say, and perhaps nothing that has been said or will be said on this side of the House, will have any influence in determining whether this bill shall be passed as it came from the committee or not. I wish to suggest, however, to my friends on the other side of the House—and it is a mere suggestion—that the last campaign settled but little. There is no margin for boasting when a few hundred thousand votes, properly scattered, would have cast the die in the other direction. Bryan would have been President to-night with a very few votes changed. I want to suggest to my Republican friends that they have not margin enough now in this country to put before this House and before this country an unsavory tariff bill or an impracticable tariff bill. If you do, gentlemen, it will come back to worry you; and therefore I suggest again that under the five-minute rule, when we reach it, when a practical amendment is suggested, whether from this side or the other, I hope that it will be adopted.

Before I say a word about the bill, I wish to say that I have the greatest respect for the chairman of the committee who brought this bill into the House. I served with him for four years on another committee, and I learned to respect him. His ability and his honesty I do not question at any time or anywhere. I believe that in his speech a few days ago he stated his honest convictions



that this bill would not only bring a sufficient revenue to meet the wants of the Government, but that it would afford perhaps ample protection in compliance with pledges made by that party to the country in the St. Louis platform.

I want to say that I shall welcome prosperity, too. I hope that there is no Democrat on this side of the House, nor in this broad land, who will not be glad to see prosperity come, whether it is under the banner of the Republican party or of the Democratic party. The people are interested in this question, and they are greatly interested; more than we can possibly be as partisans. They want prosperity, and they are entitled to a better condition of things. I want to suggest that I have a clause here, taken from Chairman DINGLEY's speech, that sounds very singular, coming from a Republican. If some Populist, or some Alliance man, or some silver Democrat had made this statement in a speech on this floor, I should not have been at all surprised. It only confirms this one old adage that—

Truth crushed to earth shall rise again.

When a man is as honest as DINGLEY is, you can not keep him off of the truth; and I want to commend one sentence in his speech to the Republican side of this House and to the country to-night, as containing the essence, the quintessence, of success. Gentlemen, it is not in your tariff bill, it is not in any tariff bill, and can not be, that mortal man or angel can frame, and Mr. DINGLEY admits it in his opening speech. He said:

No economic policy will prove a success unless it in some manner contributes to opening up employment to the masses of the people at good wages. When this shall be accomplished, and thus the purchasing power of the masses restored, then and not till then, prices will cease to feel the depressing effect of underconsumption, and the prosperity of our people will rise to the standard of 1892.

This sounds strange coming from a single-gold-standard, high-protection Republican.

This is solid Alliance doctrine, good Democratic doctrine:

No economic policy will prove a success unless it shall in some manner contribute to opening up employment to the masses of the people at good wages.

Not to the East, the North, and the West, but to the masses of the people, and not the classes or manufacturers, but to all the people. And, again, he says, "and thus the purchasing power of the masses restored." Who took from the masses their purchasing power? And, again, he says:

Not until then will the masses cease to feel the depressing effect of underconsumption, and not overproduction.

Whoever would have supposed that ex-Governor DINGLEY, the chairman of the Committee on Ways and Means on the Republican side of the House, with all his ability and sagacity, would have thought to take this old Alliance-Democratic doctrine and bring it into this House and put it into his great speech in favor of this bill?

Mr. BELL. It is good doctrine.

Mr. LIVINGSTON. It is good doctrine; that is true. I repeat that no tariff that ever has been framed or ever can be framed can bring prosperity. It must be a financial bill. It must settle the financial question. Mr. DINGLEY is right. The purchasing power of the masses must be restored. You may open the mills; as President McKinley says, "Better the mills than the mint." A great mistake for a wise man to have made. You may open your mills, if you please, and pile your goods mountain high, but you will sell them under the sheriff's hammer at a sacrifice unless the people are able to buy them. [Applause on the Democratic side.]

I have heard some good Republicans in the last few days make the unpardonable mistake in their statements that taxation helps a man to purchase, that taxing a man will give him more money, that taxing a man will make the country more prosperous. Why, that can not be. If a man has \$7 in his pocket and you take \$5 out for taxes, he has only \$2 remaining; but if you take \$2 and leave him \$5, you have done him the greatest favor you could have done him, because by reducing the taxation you have left the remainder of the money in his pocket to accumulate its interest and its profit by service. They intended, evidently, to say that taxing the people South and West would enrich the East; that is the practice. Now, I intend this language of Mr. DINGLEY to go into the RECORD emphasized, and I hope that every Republican in the United States will read it. Mr. DINGLEY is right, and he struck the keynote to prosperity, and the sooner we give this country such economic legislation as he recites the better. But I do not mean to say that a tariff law properly framed will seriously hurt any class or industry in this country. Such a tariff would be helpful and beneficial to all classes and all sections.

A tariff for revenue, ample, with such protection as it would necessarily carry, evenly distributed to all classes and all industries. Then the burden so long borne by the producing classes would be insignificant. Now, let us see if the pending bill is just such as it should be, and I am not here to say ugly things about the Republican party or Republican measures. The short time taken by the committee to construct this bill is in itself notice to

this House that it should be scrutinized closely, and especially to Southern members, for the reason that Democratic members of the committee had no part in forming it, and consequently Southern industries have had no champions in its construction.

The title of the bill is misleading. I wish to join my friend from Iowa [Mr. DOLLIVER] and say that I am proud that for the first time in the history of a revenue bill the title is a departure, made by the Republican party. It is a departure, in that you have heretofore claimed it was a bill for raising revenue when it was a bill for protection and revenue, but here is the title: "To provide revenue for the Government and to encourage the industries of the United States." I do not know to what industries protection is intended. I am satisfied that those relating to agriculture are not included. If it had read thus: "A bill to provide revenue for the Government and to encourage Eastern industries in the United States," it would have been less misleading. Some one stated on the floor yesterday that if the South and West wanted their industries encouraged we must vote the Republican ticket, and thus, I suppose, the word "industries" means Republican industries. The departure, however, is a bold and open declaration that this tariff bill has a double purpose—raising revenues and encouraging industries—but, unfortunately for agricultural industries South and North, this bill brings no relief, but, instead, increases burdens. Now, I should like to know, in the next place—and I am sorry Mr. McKinley is not here [laughter]—

Several MEMBERS. Mr. DINGLEY.

Mr. LIVINGSTON. Yes; sorry that the President is not here. But I would like to know from the gentleman from Maine [Mr. DINGLEY] where he and his committee get authority to put this into the title of the bill: "To encourage the industries of the United States." Where does Congress get the right to levy taxes, specially for such a purpose? Not in the Constitution, not in any grant of power ever given to this House anywhere, at any time. We have no authority for constructing a bill or passing a bill encouraging industries. That was the old contention between the Whigs and Democrats, the right to levy taxes for such purposes. "Specific and local improvements," said the Whig; "No paternalism," said the Democrat.

Article I, section 7, of the Constitution reads this way:

All bills for raising revenue shall originate in the House of Representatives.

The words "and to encourage the industries of the United States" do not appear in the Constitution. What industries are encouraged by this bill? Not industries owned and controlled by the Government, but individual and corporate. Section 8 of the same article reads:

The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts—

Not political debts [laughter and applause]—

and provide for the common defense and general welfare of the United States.

To raise revenue for specific industries in particular localities is not provided for in these sections, but the power to legislate for the general welfare is. Does this bill measure up to the requirement? Nay.

I commend the committee for going to the country with a bill that at least in its title admits the fact that they are going outside of either expressed or implied authority to raise revenue and to encourage industries.

Mr. STRAIT. I would suggest that they have perhaps consulted the Supreme Court.

Mr. LIVINGSTON. Well, there is no telling what the Supreme Court would not do, if an emergency came along [Laughter.]

The bill should be amended, Mr. Chairman, and I think I will propose it in all good faith, by adding after the word "industries" these words, "at the expense of the masses," so as to read: "and to encourage the industries of the United States at the expense of the masses."

Then the bill will not be so misleading as now, and those who labor and pay taxes, with no protection to either labor or labor's products, would understand what they should expect.

The whole bill has been termed preposterous, iniquitous, and a monstrosity. I take it for granted that this language is extravagant. I might find something to commend if I had the time to-night. [Laughter.]

Mr. LACEY. We will give you time.

Mr. LIVINGSTON. Thank you. The right of Congress to lay taxes and provide revenue and the duty of every citizen to pay his share of the taxes is unquestioned, and it is unpatriotic and dishonest for any citizen or corporation to evade or seek to evade just taxes when levied. The constant effort, and I must confess often successful attempt, on the part of wealth, both individual and corporate, to evade the payment of a just share of taxes is demoralizing and contemptible. Now, taking it for granted that all good men, all conservative men, concede the power of Congress to lay taxes and that it is their duty to pay those taxes when laid, without murmuring, we conclude that any system of providing revenue by Congress that would furnish, first, ample revenue and would operate fairly and impartially upon all taxpayers—and God grant the

day when the Congress of the United States can frame and pass a bill on that line. [Applause.] We have got to come to it, gentlemen of the House. The country will force us to it. This partisan strife for the purpose of building up and tearing down political parties at the expense of the common people will not be tolerated always.

Does this bill meet this demand? If not, then you may look for a scramble from taxpayers to skip taxes; to murmur and complain; a shifting from the Republican party at the next general election; a large use of money to hold the party in power; a corrupting and demoralizing campaign.

The question is, Does this bill meet the demands?

Mr. ALLEN. I do not believe it does. [Laughter.]

Mr. LIVINGSTON. I do not either, and if it does not I say to our Republican friends that I will help you make it such a bill and will vote for it, and you can have the honor and the credit of making it so. Can a bill for protection provide ample revenue and at the same time distribute the taxes impartially upon the whole people? You can settle that question in this bill.

You can not return home and fool the people at the next election with promised prosperity. You can do it sometimes when there is a great flush of excitement over the country and when partisan spirit and partisan feeling run high, but the time will come when the taxpayers will ask and you will have to answer the question: Can you couple protection with a revenue bill without injustice to certain classes—put the two together and make this Government safe and sound as to its expenditures at all times and under all circumstances? This question to-night concerns 70,000,000 people, not merely a few Congressmen or a few politicians of either or both parties. There are 70,000,000 people in this great country of ours wondering if this can be done. They have even gone so far as to suggest a commission for this purpose. They have absolutely lost faith in the power of Congress to do it, and the business world, with a large support from the press, is demanding of Congress a tariff commission. For what purpose? To have it settled upon the very lines I have suggested, believing that we have entirely lost the power to deal with it in that spirit of impartiality and justice to both the Government and taxpayers.

Mr. BARLOW. May I ask the gentleman if that is not the only way that this question will ever be settled justly and equitably and without partisan spirit?

Mr. LIVINGSTON. No, sir. I never will concede that such a vital question to all classes and all sections shall be transferred to a commission. The Constitution gives this power and duty to Congress, and there it must remain. When you concede this question to a commission, with the financial one, you concede everything in this Government that constitutes it a representative one.

Put those two things in the hands of a commission, to be run by combines and trusts, and the voice of the people will never be heard again while the flag floats over us.

Mr. BARLOW. Will combines and trusts have more to do with it then than they have under this bill?

Mr. LIVINGSTON. Yes, sir. They will then have it under their absolute control. To-day they have Mr. DINGLEY to fight, with his committee; they have 300 men on this floor to deal with when the bill comes to its passage, and the Senate at the other end of the Capitol. They have the press of the country confronting them. But if these matters were submitted to a commission, that commission would be appointed in the interest of the trusts and combines, and your money system and your revenue system would pass out of your hands as the representatives of the people, and, consequently, out of the control of the people.

What is necessary to get the most revenue out of a tariff bill? Revenue means public money, the result of taxes. First, the schedules of duties must be just as high as they can be put without imposing a serious check upon imports, but not one bit higher. Let me repeat, if you are after revenue, put your import duties just as high as they can be put without checking in the least possible way the influx or inflow of foreign goods. Then you have the best possible revenue bill that can be constructed.

A prohibitory tariff will not bring revenue; and only a tariff that is prohibitory can protect to any appreciable extent. I do not deny that a protective tariff may bring revenue to some extent; but I assert that a protective tariff to the extent that it is protective is nonrevenue producing. If it goes to the extent of making the protection complete, then it does not bring revenue. This proposition can not be successfully denied. Again, the best tariff for revenue is one that does not repress imports; but such a tariff—one that puts no check upon the inflow of foreign goods—will produce no effect as to protection.

It seems to me that this bill is framed for the purpose of cutting between tariff for revenue on the one side and protection on the other.

Now, gentlemen, I am going to put to you this proposition: The man does not live, unless he is a clown, who can ride two horses at once. You have got to give up one of these purposes or the other.

In every schedule which you make protective you have got to sacrifice revenue, and in the schedule by which you produce revenue you must give up protection, save incidental, which is not considered protection in the light of your pledges. In other words, you can not protect manufactures without checking the importation of the same class of goods. Consequently this bill, in my opinion, is an exceedingly interesting document. I confess that with the short time I have had to examine it I can not tell whether the protection predominates or revenue. It is badly mixed. Every schedule save one is higher than the McKinley bill, and I trust before we come to consider it by paragraphs under the five-minute rule you will on the other side of the House see the necessity of radical changes in many of the schedules. You should lower the rate in every instance to a revenue basis, for the reason, if for no other, that the masses of the taxpayers in this country are sorely pressed for the means to pay debts, whether public or private.

Let these wealthy syndicates, combines, and monopolies take care of themselves until the people are in better condition. The producing classes have not pressed their claims before the Committee of Ways and Means, and never do; but you will hear from them at the next general election, if this bill passes into law. But I am going to show you samples of what this bill does. Let me say to my Republican friends, and to my friends on this side of the House, that the conditions which now confront us are very different from those which existed when the McKinley bill was framed and adopted. I have no doubt that many of our Republican friends are to-night sleeping over the political precipice. They are consoling themselves with the thought that it is just as easy now to frame and put in operation a McKinley bill like the one of 1890 as it was then. It does not occur to them for a moment that the conditions are just as opposite now as they can be. Then we had a surplus. Nothing in the world (save redeeming unmatured bonds) but a protective tariff bill would take that surplus out of the Treasury. A protective tariff will always do that. The McKinley bill did that well. And when Mr. Cleveland first went into power he absolutely had to buy unmatured bonds to get rid of the money which had been brought in, not by the McKinley bill—but by no means—but by a revenue tariff bill.

It was very easy to stop the inflow of revenue by a bill framed on the lines of the McKinley bill of 1890. You had a surplus; you did not want the revenue; and the more protection you put into your tariff bill, the better fitted for the circumstances and conditions was that bill.

Now, what are the facts? Just the reverse of what they were prior to the passage of the McKinley bill. You now have a deficit in revenue; you must raise it. You have your platform and your platform promises behind you. You have promised to give the country protection; and I avow now, in my place, that you can not give protection and bring in revenue in one and the same bill.

Let us look at this bill for a few moments. Let us refer to a few articles on these lists. Here are cotton ties at eight-tenths of 1 cent per pound, which it is estimated will bring \$500,000. Cotton goods of every class and variety are taxed; so is cotton bagging—one-half of 1 cent per square yard, with 15 per cent ad valorem added. Jute and jute butts, from which bagging is manufactured, are on the free list. Now let us see further how the cotton producer is treated in this bill. In the first place, cotton is imported into this country, grown by the cheapest labor on earth, and comes into competition with our cotton, which is now sold without a margin for profit over cost of production.

From 1892 to 1896, inclusive, there were imported into this country 40,884,042 pounds annually and sold for \$4,440,559. The United Kingdom sent in for the five years named 10,813,405 pounds; Peru, 1,857,348 pounds; China, 50,982 pounds; French Oceania, 344,683 pounds; Egypt, 27,346,124 pounds; other countries, 471,501 pounds; total average per annum, 40,884,042 pounds. A tax of 1 cent per pound on the amount of cotton imported—and that would be a light tax—would produce \$408,840, and would not check the importation. Yet the cotton planter in this country is left to compete with this cotton grown at a much less cost than our cotton, and with the Government badly in need of revenue, \$408,840 is discarded or refused. And why? Thus cotton manufacturers are protected with raw cotton and a high duty on their manufactured goods.

Take the cotton-bagging manufacturer in this bill and see the partiality shown him. There has been shipped into this country for the last five years, annually, jute and jute butts, from which cotton bagging is manufactured, to the value of \$2,391,894. A duty of 10 per cent ad valorem would raise on this amount the sum of \$239,189. This is clearly in the interest of the manufacturer as well as the one-half cent per yard with 15 per cent ad valorem added, and both a tax on the cotton producer.

While the Republican party is agonizing over the problem how to raise money to replete the bankrupt Treasury, gentlemen on the other side, why not be fair to the cotton producers and consistent with your professions to protect the industries of the United States?

This is protection to the cotton industries with a vengeance—the



manufacturer doubly protected, while the cotton producer is taxed on his purchase of cotton goods, cotton bagging, cotton ties, every implement used, articles used or consumed in the production of cotton, even to his salt that seasons his bread and the sugar that sweetens his coffee.

Let us take another sample of how this bill stands between the manufacturer and the producer. There has been imported into this country for the last five years annually \$10,848,920 in goatskins. A tax of 10 per cent ad valorem upon this article would provide \$1,084,492 annually. There has been imported during the last five years hides and skins other than goatskins, annually, \$14,103,995. A duty of 10 per cent ad valorem upon these skins would produce annually \$1,410,399. Now, the uninitiated would say, "What of this?" The answer is a simple one. The boot and shoe manufacturers demand free hides for their use, and so the \$2,572,147 of revenue that should be collected, not for protection to the cattle raisers simply, but for revenue, is thrown overboard and the cattle producers of this country must sell their hides at prices fixed in Mexico and Central America.

We take another illustration to show favoritism in this bill—pure, simple favoritism—at the expense of the people. The McKinley bill levied a duty on seed of 20 per cent ad valorem; the Wilson bill, 10 per cent. This bill levies a duty of 40 per cent ad valorem. Why is this? There are a few seed growers in the East that demand it, and so the multitudes who buy seed must pay to protect this seed industry in the East, and not one dollar of revenue will come from this duty. Why should the agriculturist of this country be discriminated against in this bill, when for five years ending June 30, 1897, the excess of agricultural exports over agricultural imports was \$1,226,354,922? Cotton exports in 1892 were \$258,461,241; in 1893, \$189,771,445; in 1894, \$210,860,289; in 1895, \$204,900,990; in 1896, \$190,056,460. Total for five years, \$1,053,059,425. Of all exports for the last five years agriculture has furnished, in 1892, 78.76 per cent; in 1893, 74.43 per cent; in 1894, 72.51 per cent; in 1895, 69.92 per cent; in 1896, 66.25 per cent. Upon this showing certainly the House should be willing, and cheerfully so, to do far better by the agriculturist than is now provided for in this bill.

To enable the Republican side of this House to see the absurdity of this bill, take salt. In 1884, under a protective tariff, the output in this country was 814,307 tons. In 1895, with salt free, the output was 1,708,706 tons. This bill levies a duty of \$1.60 per ton. The present price of salt in Michigan is \$1.50 per ton, and in New York \$2 per ton. What can be the motive to levy a duty of \$1.60 per ton, which doubles the price of salt to the consumer? Nothing but to prevent importation, and thus give a monopoly to a few capitalists engaged in the business in this country. Thus we have a salt combine.

Take another example, the cutlery schedule. From 1860 to 1890 the duty was 50 per cent ad valorem. The McKinley tariff averaged 91 per cent; the Wilson tariff averaged 51 per cent. This bill will average, based on the importations of 1896, 142½ per cent ad valorem. On two-blade jackknives that retail at 25 cents the McKinley rate was 112 per cent; Wilson rate, 56 per cent; this bill, 145 per cent. On two-blade pearl ladies' knives that retail at 25 cents in this bill the rate is 195 per cent, while the Wilson bill rate was 56 per cent. On four-blade penknives, pearl or shell, that retail at 50 cents, the McKinley rate was 83 per cent; Wilson rate, 51 per cent; this bill, 204 per cent—four times greater than the present rate. Why is this? Not to raise revenue, for the rate of duty will prohibit this class of cutlery from being imported. The answer is simply to give the manufacturers in this country a monopoly and double and quadruple the cost of such cutlery to the common people.

Take another example. Under the law of 1890 the rate on unstemmed wrapper tobacco was \$2, and for the fiscal year 1893 the Government derived a revenue of \$4,725,032.57; for 1894, \$4,701,579.30; total for the two years, \$10,426,611.87. Under the Wilson bill, law of 1894, the rate was, for the same wrapper tobacco, \$1.50, and for the fiscal year ending June 30, 1895, the revenue derived was \$5,638,431.50, and for the year 1896, \$6,286,523.09; total, \$11,924,954.59. Here we have \$1,498,312.72 more revenue in two years with a \$1.50 rate than we derived in 1893 and 1894 with a \$2 rate, notwithstanding the business depression for the past three years. The immediate result of the increase in this bill of 90 per cent over the present law on unstemmed fillers will be to crush the small manufacturers out of business, for the reason that more fortunate competitors, syndicates, and trusts have supplies for from one to two years at the 35-cent rate they obtained previous to the famous Weyer edict, now in bond, and which they will withdraw, and thus be able to crush all small enterprises; and in whose interest is this schedule constructed? not the Government's, but the trust's. Take the sugar, wool, and cattle schedules, and they are after the same pattern.

Now let us look at the free list. Gold bullion and silver bullion are on the free list. If there is anybody under God's heaven who is able to pay a duty on imports, it is the man who is trading in gold and silver bullion, and shipping it backward and forward

from Europe to New York. Yet gold and silver bullion are on the free list. Coal is on the free list. I wonder who is interested in Nova Scotia coal mines? Coffee is on the free list. There is no competition in this country with producers of coffee, consequently you could not help the producer in this country by levying a tax on coffee. You put it on the free list to satisfy Arbuttle and the other combines that hold and control the bulk of it. Cotton is on the free list. When I said to Mr. DINGLEY, "Why did you not put a small tax on cotton, if you intend the title of the bill not to be misleading?" he said, "Because there is no cotton from Egypt that competes with your Southern cotton." "Well," I said, "that is not the question. Do they not use it in lieu of Southern cotton?" He said not. "Then," I said, "why not put a tax on it for the sake of revenue?" It was a good place to put on a tax for revenue. If it did not compete with our Southern cotton and did not interfere with our prices, it was a very good thing to put a tax on to get revenue, for it would hurt nobody. Ah, gentlemen, if I had the time I could tell you a story which is behind that cotton business.

Diamonds and precious stones, rough, are on the free list. That will not do. Gentlemen, you can not go back home to the horny-handed sons of toil in your districts, to the women who spin and cook, with free diamonds and free precious stones in this tax bill, with the story that this bill is in the interest of the people, when you tax the very last thing that poor people wear. [Applause on the Democratic side.]

You can not do it. Fur and fur skins are on the free list. How many of the common people wear furs and buy robes made of furs? You give them free to the rich and to the wealthy, but you tax the shoes and the necktie and the buttons on the shirt of every man in that gallery. [Prolonged applause.] Is that fair? Can you stand before the country with such a bill as that? You put hides on the free list. Well, poor Texas, Colorado, and Kansas, and all that Western country, could do an immense business in cattle raising; but you absolutely open the gates to all Central and South America with free hides. Why? Because the boot and shoe manufacturers demand it. In 1890, as I remember it, Mr. McKinley got into a predicament before this House by absolutely stating that there was a duty on hides, but when the bill came in there was no duty on hides. [Applause on the Democratic side.]

All articles used in dyeing or tanning are on the free list. This is in the interest solely of the manufacturers. Shotgun barrels, forged, rough bored, ready for the manufacturer in this country, are on the free list. Raw silk, or reeled from the cocoon, not twisted, or advanced in manufacture in any way, is on the free list, so as to give the manufacturer of silk goods a double protection—raw material and a duty on the manufactured goods. Turpentine, spirits of, is on the free list; that being a Southern industry, of course no protection for that. Now, my Republican friends, you see from this short and hasty exposé of the bill that it does not and can not be acceptable to the masses of the taxpayers in this country. I am satisfied, Mr. Speaker, that the system of raising revenue by laying duties on imports and by internal-revenue duties so long in vogue will not be changed soon. Therefore all contentions here or elsewhere in favor of free trade is free nonsense. And I undertake to say that it is the duty of this Congress to deliberately and impartially adopt a tariff measure that will in the first place insure ample revenue, and in the second place put the burden of supporting the Government evenly upon all classes and all industries in all sections of this country. To this end there should not be an excessive or prohibitory duty levied on any import and there should not be a single article on the free list.

What is a free list but favoritism? Under our form of government who is entitled to special favors? Are we to repeat in this country what history shows to have been the downfall of several of the greatest nations that ever existed—legislation for favored classes? As long as we hold that this is a Government from the people, by the people, and for the people, how dare you in this Representative Hall, as Representatives of the people, inaugurate such an unequal, partial, and sectional revenue bill? I am not in favor of obstruction now, but I am utterly opposed to this hasty, unmaturing legislation. It will necessitate the Senate spending months in revising and altering the bill, and I predict that the Ways and Means Committee will not be able to recognize the bill when it returns from the Senate. Owing to the haste in framing the bill, I am informed that the majority of the schedules are as suggested by interested parties—manufacturers, monopolists, and trusts.

And now in the short time allowed under the rule for consideration and the determination of the leaders on the other side of the House to force the bill to its passage as it came from the committee, we can not hope to do more than point out some of the most flagrant and objectionable features of the measure. "Make haste slowly" should have been the motto of the other side, and they would have been better satisfied with the bill when through with it, and the taxpayers saved many an honest, hard-earned penny. Trusting to a conservative, sensible, honest, and interested people,

who will have a chance at those who are responsible for this measure in 1898, and believing firmly that the verdict rendered then will be, "Not well done, unfaithful servants; retire, and give place to those who will ever care for and legislate for the whole people, without regard to party or section."

This side of the House must submit to the inevitable now. [Prolonged applause on the Democratic side.]

### The Tariff.

### SPEECH

OF

HON. CLAUDE A. SWANSON,

OF VIRGINIA.

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 23, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. SWANSON said:

Mr. CHAIRMAN: We have listened to the preceding speech with much interest. It was one of unusual eloquence and force. My friend from Iowa [Mr. DOLLIVER] has surpassed himself this afternoon, as he usually surpasses others. I know no more accomplished orator than he. He has indulged in much rejoicing at the great victory won last year by his party. It would be well for him to remember that forcible expression of Mirabeau, the great French orator: "It is but a step from the capitol to the Tarpeian rocks." His exultation might be restrained some if he would recall the political changes of recent years. For the last twelve years every revolution of the political wheel has resulted in whirling from power those just elevated and returning to trust and confidence those but yesterday overturned. In 1884 Republicanism was repudiated and Grover Cleveland and Democracy given position and power. In 1888 this verdict was reversed, Democracy was rejected, and Republicanism was restored. In 1892, disappointed with the Republican party, disgusted with its measures of relief, the country recalled Grover Cleveland and Democracy. The election just over presents a striking fact. The present President, William McKinley, the author of the measure which brought defeat to his party, who is called the Napoleon of protection, was recalled and enthroned in authority at the Capitol from which he had been driven in banishment, and he is now enjoying the glory of a reign, as I believe, to be brief and to be terminated by a Waterloo disastrous and final.

These continual changes do not bespeak fickleness on the part of the people, but indicate rather a people groping through the wilderness, frequently changing their route, but all the while striving to reach the land of plenty and prosperity so often promised, but not yet in sight. Each of these recurring years has brought times harder than the one preceding; each brought greater business depression, greater fall in prices, greater poverty. Increasing debt and distress have come along with increased industry and frugality. The people's woes have grown despite the largest agricultural crops ever produced—crops which, under natural and normal conditions, would have brought to the people untold wealth, but have only brought to them increased wretchedness. Many measures of relief have been proposed, tried, and afterwards discarded in disgust and in disappointment. In less than four years, in time of profound peace, with bountiful crops and harvests, two extraordinary sessions of Congress have been called to furnish measures of relief to a suffering people. President Cleveland, elected to reform and correct the vast taxing power of this Government, which had been perverted from the purposes of providing revenue into a vast system for the aggrandizement and enrichment of the few at the expense of the many, ignored the pledge of his election and called an extra session, not to reform the tariff, but to fasten upon the country the single-gold standard. This mistake was fatal to his Administration.

This Administration was elected upon the financial issues, and not the tariff. Yet it calls an extraordinary session of Congress, not to reform the finances, but to impose additional tariff taxes. It makes the same mistake that its predecessors made. The result will be equally as disastrous. The President, as did Cleveland, precipitates, at the inception of his Administration, a division among those who elevated him to power. Already can be heard the great mutterings and discontent of those Democrats who aided this Administration in the last election, and without whose aid it would have met disastrous defeat. They are indignant that no financial relief is proposed or promised, but that after their indispensable assistance you gentlemen on the other side of this Chamber inflict them with odious tariff taxes and commercial restrictions which they have spent their lives in antagonizing.

They will desert you in the future. Deserted by his allies, your leader waits the fearful fate of Napoleon. [Applause.]

Mr. Chairman, we are summoned here as a relief Congress. We have been called in session because that great prosperity promised immediately on the defeat of Bryan has not materialized. We are here because the faith doctors, who promised to cure our ills with "confidence," have been discredited and new remedies must be applied. We are here to aid the advance agent of prosperity to bring before the impatient public his long-advertised but much-delayed performance. The President in his message has indicated the means by which he expects to attain all of this. To accomplish his purpose the pending bill has been introduced and is now sought to be made a law. This bill embodies the relief measures which the President and his party propose for the existing conditions. This bill offers no relief which has not been previously tried, for this bill, with the exception of the sugar schedule and a few others, is substantially the McKinley Act of 1890. Thus we have the act of 1890, passed to cure the evils of that year, reintroduced to remedy the evils of 1897, exactly the reverse of those supposed to exist at that time. In 1890 the Treasury had a surplus revenue of \$85,000,000. The McKinley bill was introduced to get rid of that surplus. The title of the bill was, "A bill to reduce the revenue and equalize duties on imports, and for other purposes."

In 1897 the Treasury is confronted with a deficiency which last year amounted to \$25,203,246, and yet we witness the remarkable fact that substantially the same bill is introduced to increase the revenue. This bill is introduced under the title, "A bill to provide revenue for the Government and to encourage the industries of the United States." This McKinley bill seems to possess the remarkable attribute of being equally good, whether to diminish a redundant revenue or to increase a deficient one. Its friends use it either to empty or to fill the Treasury. This McKinley bill seems to be a patented medicine of the Republican party, furnished either to increase flesh or to reduce flesh, according to the desires of a confiding public. [Laughter.] As it was applied in 1890 to reduce a plethoric Treasury and is now sought to fill a supposed deficient one, it might be well to examine its effects when last administered, so as to determine whether it is now suited to our supposed disease. It found the Treasury with a surplus of about \$85,000,000 above the gold reserve of \$100,000,000, and during the last year of its existence produced a deficiency of \$69,803,260.58.

But, Mr. Chairman, discarding the experience of the past and assenting to the doubtful proposition that the bill will accomplish all claimed for it by its friends, let us examine and see whether its purpose meets with the needs of the present hour. The President in his message claims that the present lamentable conditions result from two causes, one an insufficiency of revenue for the Government and the other an inadequacy of protection to our industries, resulting from the present Wilson bill. The gentleman who preceded me makes the same claim. So this bill, by its very title, is designed to meet these two evils. It states by its title that its purpose is "to provide revenue for the Government and to encourage the industries of the United States." Now, do low prices, stagnant business, paralyzed commerce, and the dreadful depression which overshadows the country result from a lack of revenue to our Government?

First, let us consider whether there is any necessity for the enactment of any law providing for additional revenue. I claim that the present Wilson bill will provide ample revenue for the Government if the expenditures are reduced to what they were under the last Democratic Congress. I challenge denial of this proposition from gentlemen on the other side. The last Republican Congress, the Fifty-fourth, appropriated \$1,043,437,018.53. The preceding Democratic Congress, the Fifty-third, appropriated \$989,239,205.00. Thus the last Republican Congress exceeded the preceding Democratic Congress in its expenditures \$54,197,812.53, making an excess for each of the two years of \$27,098,906.41. The deficiency last year only amounted to \$25,203,246. Thus, if the Republicans had not increased the appropriations last year \$27,098,906.41 over the amount appropriated by the Democrats, instead of being any deficiency there would have been a surplus of \$1,895,660.41 in the Treasury. Thus it is plain, and I challenge denial, that all that is needed to make receipts and expenditures meet is to reduce the appropriations of public money precisely to what they were under the last Democratic Congress. When this is done, the present Wilson bill will yield ample revenue.

You gentlemen on the other side have only to practice the economy that characterized the Democracy and the present revenues of the Government are sufficient for all of its purposes. Thus the President, instead of calling Congress into extraordinary session to impose additional taxes and burdens upon an already impoverished and overburdened people in order to continue the wanton and wasteful extravagance of the last Congress, should have waited and required his party to practice Democratic economy. If he had done this, as I have previously shown, the present law would furnish all the revenue needed. In times of distress and depression, like these, this is the relief that the President should have followed.



But, Mr. Chairman, I contend that even if expenditures are to be kept up to the present enormous and unnecessary proportions, there exists no necessity for the imposition of additional taxes, nor could our present distress arise from an inadequacy of revenue.

The object of revenue is to put money in the Treasury to meet and discharge all obligations which might arise against the United States. Is there ample revenue in the Treasury at this time for that purpose? On the 22d of March, from the Treasury statement, there was in the Treasury \$218,050,908.78. Thus, to-day we have about \$118,000,000 in the Treasury above the usual gold reserve requirements. This, with present revenue, is ample to meet all demands which will be made for the next four years, even if present appropriations continue. It is immaterial how the amount was procured, whether by revenue receipts or by bond sales; it is there to discharge all obligations which shall come against the Treasury. When Harrison turned the Government over to Cleveland, the amount in the Treasury, exclusive of the gold reserve, was only \$24,128,087. To-day there is in the Treasury nearly five times as much money as there then was to meet all claims against the Government, and yet we are told that our present difficulties arise from an insufficiency of money in the Treasury. Such a proposition is preposterous. There was no necessity for calling Congress in extraordinary session and invoking the taxing power of this Government if money in the Treasury was all that was needed. This vast sum of money locked up in the Treasury can only be gotten out and put into circulation by being used to pay the debts and expenses of the Government. If the claims of the friends of this bill are true and this bill is enacted, this vast surplus will be added to and the money in circulation greatly reduced.

We believe that this will further lower prices and add to the present distress. It can not be claimed that our present revenue receipts are such that confidence has been impaired in our Government's finance and credit, for never before have the bonds of the Government been so eagerly sought and at such low rates of interest. Every bond sale has shown that instead of the credit of the Government being impaired, it is higher and better than ever before in its history. The test of a government's credit, like that of an individual, is its facility for borrowing money at a low rate of interest. Thus clearly we are not suffering from an impaired credit or an insufficiency of money in the Treasury to meet all demands. Thus the first cause assigned for our present distress can not be sustained. We will next examine the second reason given. This is that the reduced tariff taxes of the Wilson bill have failed to give adequate protection to home industries and that this has brought ruin and disaster. The substance of this assertion is that under the Wilson bill reducing duties there has been an increased importation of foreign goods and products, which have been purchased by consumers to the exclusion of home goods and products.

To make this claim even plausible there must have been, under the Wilson bill, an increased importation of foreign goods and products, which reduced the sale of those made at home. Unless such a condition existed, the position is wholly untenable. When we examine the statistics, we ascertain that instead of there being an increased importation of foreign goods under the Wilson bill there was a decreased importation. To show that our present distress does not arise from foreign competition we have only to compare the importations of 1893 to 1896 under Cleveland with those of 1889 to 1893 under Harrison. We find that the total importations under Harrison aggregate \$3,206,760,719, and under Cleveland \$3,083,090,183, or, in other words, there were imported under Harrison's Administration \$163,670,536 more of foreign goods than under Cleveland's last Administration.

Compare the year 1891, which was entirely under a high protective tariff and not affected by political complications, with the year 1896, and what do we find? We find that the aggregate importation of foreign goods in 1891 amounted to \$844,916,196 and in 1896 it amounted to only \$779,724,674, making the importation of foreign goods in 1891 \$85,191,522 more than in 1896. Thus the impression sought to be produced in this House and country by the gentleman preceding me, that the present ills arise from the markets being flooded with foreign goods to the exclusion of home goods, is totally without foundation. With increasing population, and thus increasing means of consumption, we should have each year bought more foreign goods, yet our people have bought, on the aggregate, millions of dollars less of foreign goods than ever before. These facts make it evident beyond dispute that our distress does not arise from importation of foreign goods; and as the only effect of the tariff upon home industries is to prevent the importation of goods from foreign countries, it is plain that the Wilson bill, with decreased importations of these, could not have caused the present deplorable conditions. Our evils lie deeper, and arise from other causes.

The manufacturers have suffered not because their customers have purchased foreign goods, but because the price that their customers receive for their products has been so low that they

have been unable to purchase goods from anyone. The manufacturer has lost the market for his goods not because the foreigner has taken it, but because his customer is bankrupt, which has been occasioned by the low price of his products. You may build Chinese walls around this country until they reach to high heaven and exclude all foreign goods, but the manufacturer will never find a market for his goods or customers able to purchase them until the price of wheat, corn, oats, cotton, tobacco, and all other products of labor advance. We on this side of the House believe that the same cause which has brought calamity to the farmer has brought it to the manufacturer, the merchant, and all people engaged in productive enterprises. We believe that this has been chiefly occasioned by a fall in prices. We believe that this fall in prices is artificial, being occasioned, not by any change in the supply and demand of the articles, for increased demand has kept pace with increased supply, but has been caused by the appreciation of the money unit of value. We believe that if we keep up our present financial system there will be a further appreciation of money and a consequent depreciation of property. We believe that the only way that the appreciation of money can be averted is to lessen the demand for gold. We believe that the only safe way we can lessen the demand for gold is to give silver by law equal rights as money, as a standard of value, as a legal tender, as is possessed by gold. [Applause.] We believe that this will stop the present artificial fall in prices, and that prices will return to what they formerly were. We believe that money affects prices, that prices affect production and trade, and that these make either prosperity or adversity. Thus I believe that the paramount question is the money question. I believe that the proper remedy for existing evils is the remonetization of silver, and that when this is done there will be a great revival in business, and great prosperity and progress will again come.

Thus the President and his party have wholly misapprehended our disease and consequently misapplied the remedy. The Wilson bill has not surrendered our markets to foreigners, as the eloquent gentleman preceding me has sought to make you believe, for the evidence is incontrovertible that we have had less foreign competition than we have ever had before. But the fact is that the home market has been destroyed by the existence of the gold standard, which has reduced the wages of labor and the prices of all products. The Wilson bill has been a benefit, and not a detriment. The curse of the country has been the gold standard, and not reduced tariff taxes. [Applause.] The present evils would have been greatly intensified if the McKinley bill had been in force instead of the Wilson bill. The results under the Wilson bill have clearly vindicated every position taken by the advocates of a revenue tariff. Those believing in tariff reform always maintained that under a reduced tariff there would be a great increase in exportation of manufactured goods. We asserted that under a low tariff our export of manufactured goods would so greatly increase that before long American ingenuity, enterprise, and thrift would control the markets of the world. What do we find? I have here an estimate of all the exports of manufactured goods from 1889 down to and including seven months of the fiscal year 1897. It shows that the greatest export of manufactured goods under the McKinley law was in 1894, which amounted to \$183,728,808. In 1896 the export of manufactured goods under the Wilson law amounted to \$228,571,178, exceeding that of the greatest year under the McKinley Act by about \$45,000,000. If the exportation of manufactured goods continues for the next twelve months of this fiscal year as it has for the past seven months, it will exceed any year under the McKinley Act by over \$80,000,000. It should be noted that this greatly increased exportation of manufactured goods has occurred in times of business depression, and there can be no question but that if the Wilson bill should be continued and we should adopt a financial system which would revive business, our export of manufactured goods would soon double or treble what it was under the McKinley bill.

This clearly demonstrates the truth of the position always maintained on this side of the Chamber, that a removal of prohibitory tariff taxes and commercial restrictions would give the markets of the world to American enterprise and ingenuity. With this bright prospect opening up before us and just becoming a realization, we are called upon to reverse this policy, which has for us untold wealth, and to build around ourselves Chinese walls and consume our energy and enterprise in trafficking among ourselves and trying to overreach each other. The passage of this bill means to destroy this vast trade, which is fast increasing each year. It means an abandonment by the United States of the markets of the world. It means on our part a policy of isolation instead of one of progress and enterprise. It means a confinement of the sale and purchase of commodities by our citizens to the limits of their own country, to be fleeced by the favored few who are the recipients of the bounties and privileges of this bill. [Applause.]



The decreased importation of foreign goods under the Wilson bill also shows that the manufacturer under a low revenue tariff is better able to control the home market. Being able to manufacture cheaper, he is able to sell much cheaper, and thus successfully meet, anywhere, foreign competition. With decreased foreign importations and increased foreign exportations of manufactured goods, the condition of a majority of the manufacturers under the present Wilson law has been infinitely better than it would have been under the McKinley bill.

The manufacturer is suffering as everybody else has suffered, not from lower tariff taxes, for this has been beneficial, but on account of falling prices resulting from the appreciation of money which the existence of the gold standard has produced.

Gentlemen upon the other side, and especially my friend who has just preceded me, have talked so poetically and fancifully about "kindling furnace fires" by the passage of this bill that it would be well and instructive to look and ascertain the condition of the iron industry since the passage of the Wilson bill. One would imagine from the remarks of these gentlemen that since the Wilson bill became a law the production of iron and steel had practically ceased in this country; yet since the passage of the Wilson bill the home production of iron and steel, instead of decreasing, has wonderfully increased. In the last year under the McKinley Act there was produced in this country 6,657,388 tons of pig iron. The first year under the Wilson Act there was produced 9,446,308 tons of pig iron. In the last year under the McKinley Act there was produced 1,921,772 tons of iron and steel railroad bars, while under the first year of the Wilson Act there was produced 1,806,185 tons of iron and steel railroad bars. Thus under the Wilson law there was an increased production of about 50 per cent in pig iron and of about 25 per cent in iron and steel railroad bars. It should also be noted that the export of pig iron increased over 25 per cent, while the export of iron and steel railroad bars more than doubled. Thus, instead of the Wilson bill putting out furnace fires, it rekindled them; instead of turning out industrious laborers to idleness and want, it increased the number of those engaged in the production of iron and steel. Thus, if the iron and steel industries are languishing, it does not arise from any decreased production since the passage of the Wilson bill. Neither can it arise from foreign competition occasioned by importation of foreign product, for under the Wilson Act not one ton out of every hundred of pig iron used in this country is of foreign production; not one ton out of every twelve hundred of iron and steel railroad bars used here is of foreign production.

In 1891 we imported of iron and steel manufactures \$53,544,372, and in 1896 only \$25,328,102—a decrease in importation of over \$28,000,000. Thus if the iron and steel industries are unprosperous, it does not result from foreign importations and competition; it arises from the same cause that makes farming and all other enterprises unprofitable. It is because the price of the products of the furnace and the mill has fallen just as has the price of the products of the farm. There can be no return of prosperity to the furnaces and mills, as there can be none to the farmers, until there is a restoration of prices. Prices, instead of rising, will continue to fall unless the appreciation of gold is stopped. Its appreciation will only cease when we lessen the demand. The demand can only be lessened by creating a demand for silver equal with gold, which will occur when we give silver equal rights as money. When this is done, then the price of the products of the farm, of the furnace, of the mill, and the wages of labor will return to what they were formerly; and then and not until then will the restoration of prosperity and good times come. This is our view on this side of the Chamber, and no other view which has been promulgated will bear the test of examination. [Applause.]

Now, let us examine another industry, so often alluded to in this discussion, and ascertain the cause of its depression. I refer to the wool industry. My eloquent friend who just preceded me described so pathetically how, under the Wilson law, the sheep had been carried to the slaughter pen and sacrificed that my heart was touched. These vivid descriptions would be very pathetic indeed if they were true, but they become really ludicrous when confronted with stern facts. It is an unpleasant task to dissipate the sad and beautiful pictures created in the imaginations of the gentlemen on the other side of this question, but it must be done in the interest of truth. One would imagine from the speeches on the other side that the wool industry of this country has been practically paralyzed and destroyed since the passage of the Wilson bill. But what are the facts? I have here the Statistical Abstract for 1896, prepared under the direction of the Secretary of the Treasury, and what does it show? It shows that our production of wool in 1895, the last year of which the statistics have been compiled, amounted to 309,748,000 pounds, being about 6,500,000 pounds more than ever produced before in this country. Thus, under the Wilson law the production of wool has increased and not decreased. It is also shown that under the Wilson law our export of domestic wool has been eight times greater than exports of it ever heretofore made. The people engaged in the wool indus-

try have been equally if not more prosperous than those engaged in other agricultural pursuits. Its increased production evinces that the raising of wool at present is more profitable than raising corn, wheat, oats, cotton, or tobacco. The woolgrower has suffered, like all others, from the low price of his product. This low price is caused by the adoption here of the gold standard, and will not be removed so long as this continues.

The assertion has also been made here that our woolen factories have been closed and hundreds of laborers thrown out of employment. It has been sought to produce the impression that since the passage of the Wilson bill the woolen manufactories of this country have been practically annihilated. Again, the facts prove exactly the reverse of this, for in 1895 we consumed of raw wool in this country 509,159,716 pounds, being 25 per cent more of the raw material used by the manufacturers than ever before in the history of the country.

Mr. TAWNEY. Where did that come from?

Mr. SWANSON. Over 300,000,000 of it was of domestic production, being over 6,500,000 more than ever furnished before in this country. The rest of it came from abroad. Now, what does this show? It proves that since the Wilson bill was passed the woolen mills of this country have used 25 per cent more raw material in manufactures than they ever used before. It proves that the mills have made 25 per cent more of woollen cloth and thus given employment to 25 per cent more laborers than ever before, and thus the often-repeated declaration that the mills were closed by the Wilson law is mere nonsense and falsehood and is clearly disproven by facts. This industry, like all others, is suffering not from the Wilson law, but from the great fall in price brought upon us by the last Administration fastening upon us the gold standard, and which this Administration has pledged itself to continue.

Thus, Mr. Chairman, if I had time, I could go through this entire bill and show that all of the lawful and legitimate industries pretended to be affected by it have suffered, not by the Wilson bill, but by other and deeper causes. I could show and prove, if time were given, that with the exception of trusts and combines, enriched by this bill, every other interest has been benefited and not injured by the Wilson law. Sir, the present distress is almost world wide and must arise from a cause coextensive. It exists in Germany, with her high prohibitory tariffs, and it abounds in free-trade England.

The curse of productive enterprises is falling prices. When prices continue to fall, everyone who produces, everyone who purchases, and everyone who owns property loses and has his wealth reduced. Thus the productive energies of a people are retarded; trade, commerce, business become paralyzed. These are the conditions which to-day confront all gold-standard countries. This artificial fall in prices must be arrested before relief can come. What has produced this fall in prices of all products and of all property? Before answering this, let us ascertain what is price. Price is simply the ratio at which property exchanges for money. It is dependent upon two things—the supply and demand of the article, coupled with the supply and demand of money. Thus take wheat. The price of wheat is dependent upon two things—the supply and demand of the wheat and the supply and demand of money. If the supply and demand of money should remain the same, then the price of wheat would be affected alone by the supply and demand of wheat. If the supply and demand of wheat should remain the same, then the price of wheat would be affected alone by the supply and demand of money. With the increased population statistics show that the average increased demand for wheat has far exceeded its increased supply, and hence, if the supply and demand of wheat alone fixed the price, wheat ought to be much higher to-day than it was years ago when it sold for \$1.50 per bushel. Thus its present price, reduced to half what it once was, not being affected by the supply and demand of wheat, must be caused by the other element which makes price, i. e., the supply and demand of money. We find that, while the demand for money has more than doubled, yet the supply as a unit of value to fix prices has been reduced half since silver was demonetized. Thus the argument is irresistible that the low price of wheat, in comparison to what it formerly was, is occasioned by demonetizing silver and destroying it as one of the units of value. [Applause.] I could take almost the whole range of products and property and show increased demand has been greater than increased supply, and hence the low prices could be produced only by destroying silver as one of the units of value in fixing prices. Thus the reform needed is financial reform, and not tariff reform. This bill, so far as it affects our finance, will aggravate existing evils.

In the report of the majority accompanying this bill it is estimated that this bill will increase the revenue of the Government \$113,479,793 each year. With the wanton extravagance of the Republican party last year, there was only a deficiency of \$25,203,246. Even if economy is discarded and the present enormous expenses kept up, if the claims of the friends of the bill are realized, there will be an annual surplus accumulated in the Treasury of

about \$78,000,000. In less than four years, unless expenditures were greatly increased, this surplus, added to the \$118,000,000 of surplus now in the Treasury, would amount to about \$430,000,000 piled up in the Treasury and out of circulation. Thus, if the hopes of the bill are consummated, it means a taking from circulation and a contraction of our currency to that vast amount. It means a reduction of nearly one-third of our present circulation. This would inevitably precipitate a further fall in price of all products and property. This fall would add to the present depression and bring increased calamities to the commercial and producing classes. The only way that this disastrous contraction could be prevented, if the estimates of the friends of this bill are true, is to greatly increase the already fearful extravagance of this Government. This increase should not be tolerated. If the bill fails to put the amount estimated in the Treasury, it will then transfer that vast amount into the pockets of the few favored by this bill, because the amount can only fail to get into the Treasury on account of the duties imposed being so high as to prevent the present importation of foreign goods, and the foreign goods not coming in, the home goods, at the increased price equal to their duty, would be used in their stead. The increased price of the home goods would go, not into the Treasury, but into the pockets of the beneficiaries of this bill. Thus, from whatever standpoint viewed, this bill can bring only detriment to the vast producing and consuming masses. [Applause.]

But, Mr. Chairman, not only is this bill a mistake as remedial legislation, but it is the most pernicious tariff bill ever sought to be enacted. It surpasses the iniquity of the McKinley Act, which, immediately after its passage, encountered universal execration. The average of the McKinley Act on importations of last year would have been about 50 per cent, while the average under this bill will be about 57 per cent. Thus this bill piles tariff taxes higher than was ever done before. It has no predecessor to equal it in its exactions upon the people, none to approach it in its gratuities and gifts to the trusts and combines which have arisen under the tariff system. The curse of our age is the immense trusts and combines which flourish, crushing out all individual enterprise and producing an industrial slavery that is fearful to contemplate. This bill will strengthen every trust and give increased profits to every combine.

The most iniquitous trust in the United States is the sugar trust. This trust absolutely controls the price of sugar to every consumer in the United States. The officers of this trust have repeatedly admitted this in the legislative investigations which have been made of its affairs. By its monopoly of the market of all sugar that goes into consumption, it has, during all this business depression, declared a 12 per cent dividend upon its stock, watered for more than double its value. This bill, if enacted, will give the American market over absolutely and entirely to the sugar trust. This trust will have no competition, but the consuming public will be at its mercy.

The amount of sugar consumed in the United States is about 2,000,000 tons yearly. The trust, under the present law, furnishes all but about 65,000 tons. Thus under the present law the trust has competition for only 1 pound in 30. If this bill passes, this little competition will be destroyed. Under the present law the trust has a differential in its favor of one-eighth of a cent a pound, with an addition of one-tenth of a cent a pound disguised under the 40 per cent ad valorem. This bill will make the differential duty in favor of the trust vary from one-fourth of a cent a pound to seven-eighths of a cent a pound. This great benefit is disguised under the "pretended scientific schedule." Besides, it imposes an additional duty equal to the export bounty paid by foreign countries. The small quantity of refined sugar imported here comes mostly from Germany. Germany has been able to make this small importation because the Government there pays a bounty of about 38 cents on every hundred pounds of refined sugar exported. This bill, imposing an additional duty equal to the bounty, will prevent all importations from there in the future. It means a complete surrender of our markets to the exactions of the sugar trust. It means that less revenue from this source shall go into the Treasury of the United States, but more and increased profits into the treasury of the sugar trust. It means higher sugar to the people, higher profits to the trust, and less revenue to the Government.

I ask this House to destroy these benefits to this greedy and overrich trust.

Let us carry our examination further and see how this bill protects the next most despicable trust which has depredated upon the American people. I allude to the steel-rail trust or pool. Nothing more completely establishes the correctness of the Democratic position upon the tariff than the history of the steel-rail pool. This side has always maintained that a prohibitory tariff enabled the home manufacturers to combine and put up the product above the natural and reasonable price equal to the import duty; and, second, we claimed that this increased price paid for the product went into the pockets of the protected manufacturer.

The history of the steel-rail pool establishes without contradiction the truth of these contentions. The duty upon steel rails is about \$8 a ton. All the manufacturers of steel rails formed a trust or pool and put the price at about \$25 a ton. A few weeks ago the members of this pool or trust became angry with each other, dissolved, and immediately the price of steel rails fell to \$15 a ton. Since the price was first reduced I see in the papers that they are now selling them at \$13 a ton. Mr. Carnegie, the greatest manufacturer of steel rails in this country, states that he makes a profit of \$2 a ton at that price and that he can easily keep up the warfare with his competitors. Steel rails are now being exported to Europe for sale. Thus we see that by this prohibitory duty imposed, as claimed by the Democrats, the manufacturers, being freed from all foreign competition, were able to form a pool and put the price even higher than the import duty.

Now, where did this increased price of about \$12 per ton, paid by the consumers, go? Into the Treasury of the United States? No. We find that the Treasury received last year as duty on steel rails only \$754,03. Now, how much did the increased price that the consumers paid last year amount to? We consumed last year over 1,300,000 tons, which at the increased price of \$12 per ton would amount to over \$15,000,000 a year. Thus it can not be disputed that last year, on account of the prohibitory tariff upon steel rails, the pool, by the increased price it was able to sell at, put over \$15,000,000 in the pockets of its stockholders. This is a fair illustration of the workings of the so-called "protective tariff," which, divested of its glittering generalities and examined in its practical workings, means to exercise the taking power of the Government, not to provide revenue, but to make this Government stretch forth its hands and gather in the earnings of the masses to enrich the favored classes. It means protection to the few and poverty to the many. [Applause.]

Mr. BLAND. Will the gentleman allow me a question right here?

Mr. SWANSON. Yes, sir.

Mr. BLAND. Is it not further shown that this tariff and this pool prevented the building of railroads and the repairing of railroads and in that way prevented the prosperity of the country?

Mr. SWANSON. The distinguished gentleman from Missouri is entirely correct. The increased price of steel rails has prevented the building of many railroads in sections where they are badly needed, and the repairing of others so as to give efficient service. Besides, on those built it greatly increased the cost of construction, and thus made necessary the perpetual maintenance of higher rates for passengers and freight. I have here a statement of the steel rails used in the country from 1871 to 1882, and a comparison of prices paid in America and in England, which shows that the increased cost for that time in this country over England amounted to \$159,312,126. From 1882 to the present time, the difference in cost for these years would far exceed that amount. Thus, to enrich Carnegie and his associates in this pool, this high duty was imposed. It puts no money in the Treasury, and, while it has enriched these few favorites, it has put a higher burden upon the transportation of all passengers and freight for years in this country. These unjust and enormous exactions are paid yearly by the merchants and farmers when they ship their wheat, corn, cotton, tobacco, cattle, and goods over the railroads at high rates.

This bill continues this high prohibitory duty upon steel rails, and its passage will witness the formation of another pool, levying again its great and iniquitous exactions upon all the trade, commerce, business, and products of the country. We must put steel rails upon the free list and have foreign competition at a reasonable price. I defy any gentleman who is listening to me to give any reason why they should not be put upon the free list. We are now exporting them to Europe. There can be no excuse to continue the present high duty, except to enable the formation of another pool to rob the American people. I appeal to every Representative who desires cheap freights for the products of his constituents to vote against this iniquity in this bill. I appeal to every Representative who has constituents who need the construction of railroads to develop their sections to vote against this provision and make possible the building of these railroads.

Mr. Chairman, I regret that I have not time to go through this bill and expose the hundreds of trusts and combines that will be benefited and enriched by its passage. I have shown how the two largest and most notorious trusts are the recipients of great gifts and bounties in this bill. These two but constitute samples of the many which are provided for. Concealed in the smooth phrases of this bill, lurking in its intricate and complicated schedules, are benefits to trusts and combines greater than ever before bestowed by any act of legislation. It is constructed upon purely Republican lines. The Republican idea is to make a few vastly rich by special privileges, and to trust that they will permit some prosperity to leak out on those beneath. This pernicious principle glares out in its enormity in every line, in every schedule of this bill. Submission to this doctrine has made this bill but the handiwork of the protected industries, a reflex of their greedy desires.



Until I was appointed upon the Ways and Means Committee I had formed the impression that it was a difficult undertaking to construct a tariff bill. I was unable to understand how my Republican friends were able, so easily and so quickly, to prepare this bill. I remembered that they had prepared it in less than half the time required by the Democratic committee for the Wilson bill. It is needless to say that I was amazed at the ability, learning, and facility for work exhibited by these gentlemen. I felt dazzled at the thoroughness and rapidity with which they had mastered the entire industrial interests of the United States. But when I began to read the hearings and to compare the requests filed by the protected interests with the sections of the bill, these pleasant illusions were rapidly dispelled. I readily perceived that this bill was but an aggregation of the wishes of the protected industries clamoring for the right to enrich themselves by taxing the people. I found that the chief credit, if any, to which my colleagues on the other side on this committee were entitled to was the perfect docility they exhibited in yielding to the desires of these interests.

Mr. Chairman, let us take the bill and see the influences which presided at its preparation. The first schedule we reach is the chemical schedule. We find from page 9 to 18 of the hearings that Mr. Thomas Harrison, in behalf of the Manufacturing Chemists' Association, filed a schedule containing the wishes of this association, and it reappears substantially as thus filed in the bill. Where his recommendations are not followed, an examination will show that others more particularly interested in that item were listened to. On page 170 of the hearings H. B. Newton, president of the National Association of Fire Brick Manufacturers, asks for a duty of \$1.25 per ton on brick, and this request is granted in section 83 of this bill. We find that section 95 of the bill, imposing a duty upon green and colored bottles, demijohns, etc., is literally that submitted by the manufacturers of these on page 234 of the hearings. Section 99 of the bill, increasing the duty on window glass, is literally the same asked for by Mr. Burns and the manufacturers of window glass in pages 252 and 253 of the hearings. Sections 106, 107, and 108 of the bill, imposing duties upon spectacles, eyeglasses, lenses, opera glasses, and field pieces, voices precisely the wishes of the manufacturers of these, as expressed on pages 272 and 273 of the hearings. The Cotton Spinners' Association filed a schedule for cotton yarns, on page 1151 of the hearings, and it appears word for word as section 303 of this bill. The manufacturers of spool cotton thread, on page 1158 of the hearings, made their desires known, and they are completely granted in section 304 of this bill. The cotton manufacturers of New England, through Mr. Chase, on page 1167 of the hearings, asked for a change of law and filed a proposed schedule, which appears word for word as section 310 of this bill.

The sugar schedule in section 208, upon which it is proposed to collect over \$51,000,000 of revenue, with the difference of one-eighth differential on refined sugar, is the schedule filed on page 599 of the hearings by Mr. Farr in behalf of the "sugar trade." Let us see how the great woolen schedule was prepared. I have here the Quarterly Magazine, issued by the National Association of Wool Manufacturers of this country. It contains the annual report of its secretary. In detailing the work of the special committee appointed to go to Washington to formulate recommendations to the Ways and Means Committee for the woolen schedule, this report says:

The special committee met at the Arlington Hotel in Washington on the evening of January 6, all the members being present. It adjourned for a conference with Chairman DINGLEY and other members of the Ways and Means Committee, at which a complete understanding was arrived at as to the general principles which are to prevail in the reconstruction of the woolen schedule.

[Laughter.]

We may judge how satisfactory these "general principles" and this "complete understanding" were to the woolen manufacturers when we reflect that the bill proposes to impose a tax of over \$67,000,000 upon the woolen clothing of the people of this country for the benefit of these manufacturers.

Thus, Mr. Chairman, the bill could be taken section by section, schedule by schedule, and shown to contain only the greedy desires of the protected industries calling upon the Government to tax the masses of the people to enrich them. My Republican colleagues upon the committee are not to be blamed for this. In doing this they have been executing an acknowledged Republican policy. The policy of this party is to make these few immensely rich and hope that they will share it with others. As the acknowledged purpose of this bill is to make the manufacturer rich by permitting him to tax all others, the consistent and most effective way to accomplish this is to allow him to fix the rate of tax he shall impose. Who knows better than he how high this tax should be in order to make him rich? [Laughter.] Hence the gentlemen on the other side are thoroughly consistent with the doctrines of their party and the purposes of the bill when they permit the protected industries to write out the rates and schedules of this bill. The masses of the people, the great consuming public, are out-

side of the purposes of this bill or of the legislative aid of the Republican party. The people will never consent to surrender the sovereign power of taxation over to the greed and avarice of a few, as this bill does. This bill, surpassing the McKinley Act in iniquity, will receive at the hands of the people more execration than was administered to that odious measure.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. SWANSON. I would like to be allowed to conclude my remarks. I will not occupy much time.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that he be allowed to finish his remarks. Is there objection?

There was no objection.

Mr. SWANSON. I am indeed grateful to the committee for its kindness, and I promise not to detain it long.

Mr. Chairman, in olden times, in the feudal days, if a man wanted to appropriate his neighbor's property, he went forth with his armed retainers and took by force whatever he desired to possess. This was bold and manly robbery, and many feudal barons thus became great and rich by their depredations. In the course of time the feudal system was overthrown, government was organized, and persons were restrained from appropriating by force the labor of others. When organized government prohibited the taking of the fruits of the labor of others by force, then the special classes commenced to acquire, under forms of law, what heretofore they had taken by force. The two most frequent and efficient means by which the products of the labor of one citizen have been transferred to another citizen have been by exercising the power of taxation and trifling with the currency. The abuses of these two great powers of government are the sources of the present unjust and unequal distribution of wealth. When the history of taxation and currency is written by a hand with the power and genius of a Buckle, it will exhibit a system of legalized iniquity, injustice, and oppression surpassing the exercise of any other powers. [Applause.]

My eloquent friend from Iowa has taunted this side of the House for a supposed inconsistency in advocating at the same time tariff reform and financial reform. To a thoughtful and patriotic mind the advocacy of one necessarily impels the advocacy of the other. The tariff taxes are used artificially to enhance the prices of goods to the consumer with a view of transferring a portion of his wealth into the pockets of the manufacturer. The gold standard is used to artificially depress the price of products of the producer, so as to transfer a portion of his wealth to the banking or moneyed classes. The purpose in each case is, by artificially affecting prices, to transfer the wealth of the masses to special classes. The results in each case are similar. The only difference is in the method of accomplishment. We believe that prices should be normal and stable, controlled by the great law of supply and demand, neither artificially enhanced by tariff restrictions preventing competition nor artificially depressed by the radical change in destroying silver as one of the units of value in fixing prices. Thus the Democratic party is consistent in its opposition to both high tariff and gold monometallism. It places itself as the firm advocate of natural, stable prices. It believes that the greatest prosperity comes to a nation, the productive energies of a people are the greatest, when prices are stable. A prohibitory tariff is but the bestowal of special privileges on the manufacturer. Gold monometallism is but the bestowal of special privileges on the moneyed classes. We are opposed to both.

In the hour of fierce conflict for the betterment of an oppressed and impoverished country, the Democratic party adopts as its fundamental principle that famous utterance of the great Mirabeau, amid the storms and struggles of the French Revolution:

Privilege must have an end, but the people are eternal.

[Prolonged applause.]

#### The Dingley Bill.

#### SPEECH

OF

HON. MARION DE VRIES,

OF CALIFORNIA.

IN THE HOUSE OF REPRESENTATIVES,

Monday, March 29, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. DE VRIES said:

Mr. CHAIRMAN: I am opposed to the amendment now under consideration. It proposes to increase the duty already recommended in the bill upon asphaltum and bitumen. I am opposed to any duty upon these articles and submit that they should be placed

upon the free list. The effect of laying a duty upon such articles will be to enhance the price of the same in my State to the people of that State to the extent of the duty levied. The gentleman from Ohio [Mr. GROSVENOR] is correct in the statement that in the State of California there are inexhaustible supplies of these materials. These are articles found in great quantities in southern California. We consume vast quantities of the same in the construction of sidewalks and streets in our cities everywhere and the effect of this amendment will be to increase the cost of that material for such purposes, and that increase of cost will fall largely upon the poor. [Applause on the Democratic side.]

In our State this will be more keenly felt by the poor, for under our system of street improvement the citizen and resident are compelled to improve at the will of the municipal council, which does not always respect the financial ability of the citizen. I desire to say to gentlemen on the other side of this Chamber that if they desire to cheapen the price of asphaltum and bitumen to the people of the East, in order to meet and disarm the foreign syndicate controlling the same, the way to consummate that purpose is not to enable a higher price to be charged for bitumen at the mine as is done by the proposed tariff, but to take hold of the Pacific railroads question in the proper manner and adjust that question so that the railroad corporations which now charge exorbitant freight rates for transportation of all products from California to the East may be compelled to do justice to the people of the East as well as to the people of that State. [Renewed applause.]

If, Mr. Chairman, the question is determined in such manner that relief in freight charges will be effected, the people of the East as well as of California will have an inexhaustible supply of superior bitumen and asphaltum at their doors, and it can be commanded at a reasonable price. This can easily be and should be accomplished by a Federal adjustment of railroad freights and fares. The United States courts have held this power to be constitutionally vested in Congress, and it should be exercised. While I am on the floor let me say that gentlemen on the other side have continually protested that this bill treats every section of the country uniformly; that it is a bill for the benefit of the West as well as the East, the South as well as the North; that it benefits every class upon whom it lays tribute, and returns that tribute by protecting him in some way; and they have professed to be particularly solicitous about the welfare of the agricultural and farming communities.

I want to call the attention of the Ways and Means Committee particularly, and of the majority upon the other side of the House, to the fact that there is a large class of people in my State who produce the greatest product of that State, to wit, wheat, who add 28,000,000 bushels of wheat per annum to the channels of trade to aid in turning the balance of trade in favor of this country, who are not protected one iota under this bill; but, on the contrary, by the terms thereof it is proposed to levy upon them what is equivalent to a direct tax of more than \$500,000. What protection does the wheat-growing farmer of California and the Pacific Coast receive under this bill? He has to buy a great number of commodities that he requires which are protected—in fact, nearly every article he buys is protected—and in return he is offered protection on wheat, which is of no benefit to him, as gentlemen must, in all honesty and fairness, concede. You have given the Western farmer sop, molasses to catch his vote, and offered insult to his intelligence in the shape of a tariff of 25 cents per bushel on wheat. You and every sane man in the country know the effect of that duty is a burden rather than a benefit to the farmer. He sells his wheat in Liverpool, the markets of which regulate the price of wheat the world over. The wheat affected by this duty is the wheat imported into this country by our farmers for seed, and upon that this bill compels the farmer to pay a duty of 25 cents per bushel, so that the duty on wheat is the farmers' enemy masquerading as his friend.

On the other hand, what tax is levied upon the California grain-growing farmer by this bill? In our State every bushel of the grain product must be sacked in jute bags, of which we consume about 40,000,000 per year, and upon these it is proposed by this bill to levy a duty of 1½ cents per pound. The result of that will inevitably be that there will thereby be assessed upon the farmer of the Sacramento and San Joaquin valleys alone in the State of California a tribute of almost \$250,000. This is a direct tax, because there is no substantial local competition in the grain-bag market on the Coast. To consider this question politically for a moment, I want to say to you gentlemen that these were the very people, the grain-growing farmers of California, who delivered to you the electoral vote of the State of California at the last election, and now, in return for the aid which they gave you and your party in that election—

[Here the hammer fell.]

Mr. DEVRIES. I would like a few minutes more, Mr. Chairman. The CHAIRMAN. Is there objection to the request of the gentleman from California that he be given a few minutes more? There was no objection.

Mr. DE VRIES. I was proceeding to state, Mr. Chairman, the effect of this bill, politically, upon the farmers of my State, they having cast their votes for Mr. McKinley. They then had free grain bags. In return for their votes you now propose to assess them about 1½ cents for every grain bag they buy, aggregating over half a million dollars in my State alone. Whether or not this course will be approved only the farmer can say, and he will speak thereupon at the next Congressional election. I wish to say another thing to you gentlemen upon the other side of the House. There are manufactories in the State of California, as well as in the East. In my district there are several factories of agricultural implements. These are in Sacramento, Stockton, Marysville, Chico, and other cities. You do not give them one iota of protection in this bill, because there are no agricultural implements imported which come into our market in competition with the high-grade implements which these manufacturers make. For example, the combined harvester is almost, if not quite, a California machine. These shops employ thousands of laborers. Besides, we have many large houses dealing in such implements, all paying heavy duties on their materials and stock by this bill.

Now, if you want to protect them and give our labor employment, the best way to do it is to take the duty from grain bags in this bill and thereby leave in the pockets of the California farmers about \$500,000 extra, with which they can buy these high-grade manufacturing implements. Having that much more money left in their pockets, the farmer can go to the factories and buy these implements, which privilege they will be denied if you continue this assessment on their grain bags. Having equipped themselves thus with improved machinery, kept our shops open and laborers employed, they will with such machinery save more in developing and harvesting their crop, and thereby have left some money with which to buy your Eastern goods. But we can never buy your Eastern products, we can never enter your markets, unless you leave us some small change with which to buy. The same reasoning applies to other consumers of jute bags in our State. The State of California, for the single purpose of cheapening grain bags to its farmers, has expended approximately half a million dollars in erecting a jute-bag factory at San Quentin, and they are running that factory extra time now. For what purpose? Simply for the purpose of cheapening to the farmers of that State the price of grain bags. Yet here, now, after the State of California has made that great outlay for this commendable purpose, it is proposed in this bill to put a duty upon grain bags and thereby, so far as the interest of the farmers of California are concerned, defeat the efforts of the people of that State in the expenditure of this great amount of money. The effect of the duty may well be understood from a dispatch I clipped from the San Francisco Examiner this morning, which I here read:

JUTE BAGS IN DEMAND—ORDERS COME IN AT SAN QUENTIN—DIRECTORS PREPARE TO RUN THE MILL ON LONGER HOURS.

SAN QUENTIN, March 22.

The demand for jute bags remains active. The price, \$5.40 a hundred, although the maximum that can be charged by the board of directors, seems to be no hindrance to orders. The orders are being filled and will be filled as rapidly as the output will permit. The market quotations for Calcutta stock are now \$5.25 a hundred, with the tariff risk assumed by the purchaser. It is the intention of the board of directors to run the jute mills half an hour longer each day after April 1 and during the half day on Saturday that has usually been reserved as a holiday.

Thus we find our farmers preferring to pay \$5.40 for grain bags now rather than \$5.25 and assume the prospective tariff burden. You may preach to us as much as you please upon the floor of this House that a tariff does not increase prices, but, as the above dispatch indicates, when it comes to actual business, the commercial world transacts business upon the basis that a tariff does increase prices. And we further have presented the remarkable spectacle of a State being engaged in a desperate struggle to cheapen a particular commodity to a deserving and oppressed consumer while this House is proceeding to nullify all the efforts of that State by increasing the price of these same articles to such consumers. In behalf of these grain-growing farmers of the Pacific Coast and all consumers of jute bags, I submit this duty is an outrage. I do so not in the spirit of criticism, but of a petitioner, that the outrage be not perpetrated. Both in the general debate and in this running-fire discussion of the past two days every advocate of this bill has emphasized its alleged virtues as a moderate, uniform tariff measure, claiming for it, as I have said, that it affected all sections and classes alike, and particularly vaunted its tender regard for the agricultural classes. If I believed this bill was as thus claimed, I should be very much constrained to vote for it, particularly in view of the present exigencies, political and commercial. But even the limited time allowed the minority for deliberation and examination reveals that it is far from what it is claimed by its ardent friends.

I for one do not believe in free trade. I am not a free trader. I do not believe in a high protective tariff. I believe the power vested in Congress by the Constitution in the words, "The Congress shall have power to lay and collect taxes, duties, imposts,



and excises to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States," clearly authorizes, and wisely, the raising of a portion of our national revenues by a tariff, and that this can always be done justly and advantageously. I believe that language justifies a tariff for revenue, carrying with it whatsoever of necessary incidental protection it may, and that the constitutional inhibition to be emphasized is the one emphasized by the makers of our Constitution by dignifying the enactment in a special proviso that these duties "shall be uniform throughout the United States." That a portion of our revenues shall be so raised is a doctrine which has grown up with and become a part of the constitutional history of this country, and no considerable portion of our people deny it, though some whose opinions are entitled to great respect do. In the confusion of political campaigns and in the strife for office the real contention upon this question has been obscured. The objections held by the majority of the objectors to past tariffs and the present do not level their objections at the tariff system as a system, but at the inequalities of the particular schedules which have from time to time constituted the revenue laws of this commonwealth, and which have done great violence to that portion of the constitutional proviso quoted, in that the schedules of such do not and have not rested the burdens of taxation "uniformly throughout the United States," as required by the Constitution.

The American people are a busy people, much occupied in their respective vocations, and have never given heed to the effect of their laws until the resulting conditions therefrom forced upon their attention the sober realization that something was wrong. While I do not wholly or even principally attribute present conditions to the inequalities of the tariff, nevertheless any economic factor which constantly rests the burden of taxation unequally, and further casts upon those bearing the greater portion of this burden the additional task of paying tribute to their more favored brethren, becomes a factor in at once enriching one portion of the nation and impoverishing the other. The logic of conditions has finally drawn the attention of the American people away from their vocations, and they are examining their laws and taking account of stock, so to speak, of their labors. They find the course of wealth and accumulation has been eastward, where dwell the protected manufacturers and the Wall street gold manipulators, while those who have ever toiled and exhausted the virgin strength of Western fields and riches of Western mines have nothing but debts set opposite their investment of nature, industry, capacity, and frugality. When we equalize, therefore, so far as can be practically done the benefits and the burdens of a tariff, I believe we approach to a satisfactory tariff, for such would give equal rights to all and special privileges to none, so far as the particular subject is concerned. It goes without saying, the revenue to be raised must be such as the necessary expenditures of the Government, economically administered, require. I believe, therefore, in a tariff for a portion of the nation's revenues to meet the needs of the National Government, economically administered, so levied that the necessary incidental benefits thereof, as well as the burdens thereof, shall benefit and burden all classes and all sections alike. A tariff for such a revenue, being uniform in both its benefits and its burdens, and affecting all classes and sections the same, approximates justice. Certainly, whenever declared constitutional, an income tax should be early adopted as the greatest vehicle to uniform taxation. Other commendable methods are available whereby the burdens of national taxation may be equally adjusted. The course of wealth is and for decades has been toward New England. Compare five Western with five New England States, taking the official records of property returned for taxation in 1893 and 1894.

State.	1893.	1894.	Increase.	Decrease.
California.....	\$1,216,700,000	\$1,305,012,000	.....	\$88,312,000
Oregon.....	166,089,085	180,380,383	.....	14,291,298
Washington.....	335,694,248	338,358,572	.....	2,664,324
Idaho.....	33,000,000	33,000,000	.....	.....
Nevada.....	26,178,080	33,683,790	.....	7,505,710
Montana.....	127,548,173	118,659,892	.....	8,888,281
Ohio.....	1,732,900,990	1,742,682,115	.....	9,781,125
Indiana.....	1,302,004,689	1,275,435,377	.....	26,569,312
Iowa.....	545,857,790	556,412,768	.....	10,554,978
Kansas.....	356,621,818	337,501,722	.....	19,120,096
Nebraska.....	194,733,124	183,717,498	.....	11,015,626
Maine.....	270,812,788	272,319,370	\$1,506,582	.....
Massachusetts.....	2,791,582,144	2,815,883,621	24,301,477	.....
New York.....	4,038,058,949	4,273,942,431	235,883,482	.....
Pennsylvania.....	3,115,320,549	3,162,114,251	46,793,702	.....
New Jersey.....	788,295,274	774,389,332	6,105,942	.....

These States are not selected for the purpose of the argument. Only two Southern and Middle States of all the States show any

increase. And the total net decrease for all that territory in the time mentioned is approximately \$320,000,000; while only two New England and Atlantic States show a decrease, and the net increase of those States is \$312,110,000. I am indebted to Mr. McLaurin for the figures, as I am also for the following statement and tables, to the same point:

The capital invested in the manufacturing industries increased 121 per cent from 1890 to 1900, while during that same period farm values shrunk from 20 per cent of the total wealth of the country to 20 per cent of the same.

I will print a table showing the losses in farm values from 1850 to 1890:

	Total values.	Farm values.	Other values.
1850.....	\$7,135,780,228	\$3,271,575,426	\$3,864,204,802
1860.....	16,150,616,088	6,645,045,007	9,505,571,081
1870.....	30,068,518,507	9,282,808,881	20,785,709,626
1880.....	43,642,000,000	10,197,008,776	33,444,991,224
1890.....	65,087,091,197	13,279,232,649	51,807,858,548

These figures show a constant and increasing drift of the wealth of the country away from the agricultural communities and toward the manufacturing centers. It is idle to cumulate statistics to the same point. The savings-bank accounts and all bank accounts point in the same direction. The wealth of the country is rapidly passing to the highly protected States and away from the West and South, and reliable statistics show this to have been the uninterrupted course for the past quarter of a century. This feature becomes the more alarming by reason of the fact that the wealth of the country is not only traveling to the northeastern portion thereof, but is being collected into the hands of a few. It would be idle to cite authority to this admitted fact.

The same spirit of inequality and want of uniformity pervades this bill that has characterized every tariff bill passed by Congress for several decades. The passage of this bill as it now stands, with no changes in the coinage laws of the nation, will aggravate rather than alleviate the abnormal conditions stated, and will not turn the tide of wealth in this country. We will, I believe, in the near future, view spasmodic evidences of prosperity for a limited time, for the reasons that we have just emerged from the ever-recurring decennial depression of business of the country, and by reason of the further and more potent cause that the greedy money mongers of the East, being appeased by unequal legislation, will, for political if no other purpose, unlock their money coffers and permit the country a slight increase in the circulating medium, while they cry: "Behold the coming of prosperity!"—simply let out their ropes for another haul to the money centers of another installment of the labor and property of others by later on contracting the currency medium of the country, soon to be temporarily expanded. I shall advocate and vote in Committee of the Whole for the agricultural schedules of this bill, because they, I believe, tend to better the bill and are in the interests of my constituents, and in the committee every vote will be effectual: Upon the vote on the bill as a whole my vote will not be effective, either for or against it, and I shall vote against the bill for several reasons:

First. It is full of inequalities and not in the least uniform. Even the agricultural duties protect chiefly, if not solely, the New England farmer on the Canadian border, and this will not correct, or tend to correct, existing inequalities.

Second. The bill is not a revenue measure prepared by the House of Representatives. It is a revenue measure prepared by the majority of the Ways and Means Committee, which the members of the House have had no adequate opportunity to amend or offer amendments to, much less have such voted upon by the House. There are measures in this bill which would fail if put to a vote of the House.

Third. The alleged necessity for revenue is admittedly only about \$60,000,000. This bill purports to raise over \$65,000,000 more than necessary, and even that necessity is figured upon the basis of enormously extravagant appropriations far in excess of an economically administered governmental necessity. It therefore lays a much heavier tax upon the people than necessary.

Fourth. This is an extreme protective measure. The McKinley bill was moderate in rates when compared to this bill. I here give the relative rates of this bill and the McKinley bill by schedules:

SCHEDULE A.—CHEMICALS, OILS, AND PAINTS.		Per cent.
McKinley bill.....	.....	31.07
Dingley bill.....	.....	31.33
SCHEDULE B.—EARTHES, EARTHENWARE, AND GLASSWARE.		
McKinley bill.....	.....	51.20
Dingley bill.....	.....	52.62
SCHEDULE C.—METALS, AND MANUFACTURES OF.		
McKinley bill.....	.....	57.21
Dingley bill.....	.....	46.54

## SCHEDULE D.—WOOD, AND MANUFACTURES OF.

	Per cent.	Amount.
McKinley bill.....	14.00	\$1,857,802.90
Dingley bill.....	16.58	2,206,568.98

## SCHEDULE E.—SUGAR.

	Per cent.
McKinley bill.....	14.55
Dingley bill.....	71.10

## SCHEDULE F.—TOBACCO, AND MANUFACTURES OF.

McKinley bill.....	117.82
Dingley bill.....	164.05

## SCHEDULE G.—AGRICULTURAL PRODUCTS AND PROVISIONS.

McKinley bill.....	33.17
Dingley bill.....	39.94

## SCHEDULE H.—SPIRITS, WINES, AND OTHER BEVERAGES.

McKinley bill.....	69.78
Dingley bill.....	77.01

## SCHEDULE I.—COTTON MANUFACTURES.

McKinley bill.....	55.25
Dingley bill.....	54.14

## SCHEDULE J.—FLAX, HEMP, AND JUTE, AND MANUFACTURES OF.

McKinley bill.....	43.68
Dingley bill.....	49.52

## SCHEDULE K.—WOOL, AND MANUFACTURES OF.

McKinley bill.....	80.50
Dingley bill.....	81.57

## SCHEDULE L.—SILK AND SILK GOODS.

McKinley bill.....	53.56
Dingley bill.....	53.89

## SCHEDULE M.—PULP, PAPER, AND BOOKS.

McKinley bill.....	23.85
Dingley bill.....	29.82

## SCHEDULE N.—SUNDRIES.

McKinley bill.....	26.06
Dingley bill.....	30.57

The McKinley bill was condemned by an overwhelming vote of the country. The McKinley bill raised less revenue per annum than the Wilson bill with the income-tax clause eliminated therefrom.

Fifth. I will vote for no bill as a whole which puts a direct tax of nearly 1½ cents on every jute bag used by the farmers of my district, knowing that it taxes them alone quite \$250,000 on this one item. That there is a necessity for a revision of the revenue laws of the country I not only admit but assert, and this particularly with a view to securing such an adjustment of the schedules as will make more uniform the benefits as well as the burdens of this method of taxation. The increase in the agricultural schedules in this bill is a commendable step; but while a care has been given the farmer, especially the Eastern farmer, scrupulous and assiduous attention has been given the manufacturers of the East, and that while the manufacturers of my district and dealers in agricultural implements have not been given a thought. Where the fruit grower has been given \$1 he is taxed \$5 by the same measure, a very unequal bargain. The law which enables the Eastern manufacturer to collect protection-inflated prices for his goods from the Western farmer, while it denies the latter the reciprocal privilege, is measurably, though not totally, responsible for the present condition of the farmer, and the condition demonstrates the presence of the evil and want of uniformity of the law in its operation. The Western farmer craves reciprocity, not so much with his foreign friends as with his Eastern brother. He desires them to reciprocate with him by paying to him as well as receiving from him prices an element of which is due to the revenue policy of the General Government, if any prices are to be so inflated.

Until you make uniform these benefits of the revenue laws and also give the farmer more money by increasing the circulating medium of the country, a protection wall as high as Bartholdi's statue will be a dead letter on the statute books, so far as prosperity is concerned. You must stay the tide aided by an unjustly arranged revenue system. You can never enrich the mortgaged West and South by taxing them more. The people of the West can never effectively demand your protected goods until you put more money in circulation for which they can exchange their produce and with which they can then buy your goods. Leons may run and the factory doors open, but the product will rot at your doors for want of purchasers. You can not tax a poor man into prosperity. Prosperity, stable and permanent, abounds only where money plentifully circulates. Prosperity is commerce, an abundance of exchanges which can not be had without an abundance of the medium of exchange—money. Until you give the farmer better prices—more money—he has nothing to exchange but the mortgage on his farm. So, while I believe the adjustment of the revenue laws is a factor for or against the prosperity of sec-

tions of our country, it is not the controlling factor of its general prosperity. What we of the whole nation need mostly now is a greater amount of circulating medium and a law making all trusts and combines organized to affect prices a felony.

What we of the West need mostly now is, first, our share of the benefits of our system of revenue laws; second, an increased circulating medium, and both these will be ineffectual to us unless you give us an opportunity to transport our products of the West to the markets of the East at reasonable freight rates, serving the purpose of extending our markets and cheapening our products to the East. This latter can be easily effected by the proper adjustment of the Pacific railroads question—a solution made in the interest of the people, instead of the railroads, which idea opposes any and all schemes for refunding that indebtedness. The people of California may sow and reap in abundance, and sell in markets of scarcity at fabulous prices; you may build around us a protection wall as high as the Sierras, but so long as the Southern Pacific Railroad Company holds California in its monopolistic embrace, and stands a toll gatherer between us and the markets of the East, these advantages only further fill the fat stomach of that greedy corporation, while our people remain the unwilling slaves to that insatiably rapacious parasite of the West.

## The Depression in Agriculture—Its Cause and Remedy.

## SPEECH

OF

HON. WINFIELD S. KERR,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. KERR said:

Mr. CHAIRMAN: The farmer seems to be the objective point of the modern Democratic statesman. The glowing promise of his rejuvenation is the only light that shoots through the somber fabric of Democratic discourse.

That the farmer has suffered in the last four years is past all disputing, but he will not walk out of his troubles by walking into the camp which caused his discomfiture. He will not increase prices of agricultural products by embracing the principles and the party which lowered these prices.

The farmer is an intelligent man, and he should proceed intelligently to find the cause of his present distress, and then set about remedying it like an intelligent man. If he is deceived as to the cause, he will miss the remedy.

This Hall has rung for two weeks with Democratic philippics against trusts and combines; yet the Democratic party is not yet a month away from its control of the Government. If the people are bound captives to the wheels of monopoly, why did you not release them during your four years of power? What legislation did you enact? What executive action did your President take to break these chains which you say bind the American people? Nothing—absolutely nothing.

You are raising a false clamor; you are heating the passions in order that you may deceive the judgment.

Why have you not relieved the distress of the farmer in the four years you held power? Every year of these four has seen the farmer sink lower and lower; every year has seen his distress aggravated; every year his business less remunerative. What excuse have you for not coming to the rescue of this dear friend of yours? None. But you are still fertile in promises. You want the offices four years more, and if you can get them, you promise to make another onslaught on the windmills.

Whether the centralization or combination of wealth is an evil or not depends upon how it is used. If a great enterprise, like the building of a railroad, the erection of a great factory, or the floating of a line of steamships, takes more money than one man can furnish, and ten go together and do it, they do not become public enemies, but in a sense public benefactors. If Democratic philosophy had prevailed during the last half a century, this Republic, instead of covering the continent with its magnificent growth and leading all the nations in material progress, would be sending wagon trains from the Missouri to the valley of the San Francisco, and foreign lords would be hunting buffalo on the plains of Kansas.

The first thing the farmer wants to know, or ought to know and know accurately, is the cause of his trouble. So far as the parties are concerned, the issue between them is clearly made. The Democratic party and its allies say that the silver act of 1873



is the sole and only cause. The Republican party says that the serious decline in agricultural prices began with the Wilson tariff law and should be ascribed to it. Where does the truth lie?

In making my comparisons, I take the year 1891 and compare it with 1895. I select the former year because it was the last year of Republican Administration, when there were no exceptional circumstances. Part of 1892 was influenced abnormally by the Presidential election, and part was after the election of Cleveland. I take 1895 because the Democratic Administration was then at its best and should show the best results.

If the act of 1873 had any effect in reducing prices it should have got in its work before 1893. If we find that farm products were sustained in price and many of them advanced in price for twenty years after 1873 and then began to decline, the cause should be searched for somewhere near the time the decline began. This is logic, and in a campaign of education ought to have force.

I make the broad proposition that every Northern farm product, in the aggregate, brought the farmers more money in 1891-92 than they did in 1873.

I make another statement, namely: That the substantial shrinkage in prices and values of Northern farm products has occurred since 1892 and 1893.

From these facts I infer the reasonable conclusion that the free-trade law of 1894 caused the decline, and not the act of 1873.

I take first the three great staples, wheat, corn, and oats. I open the Statistical Abstract at pages 293 and 294, and find that in 1891 they brought the farmers of the United States the following amounts of money:

Wheat .....	\$513,472,000
Corn .....	836,439,000
Oats .....	232,321,000
Total .....	1,582,232,000

In 1895 the same products brought the farmer the following amounts of money:

Wheat .....	\$237,938,000
Corn .....	567,930,000
Oats .....	163,655,000
Total .....	969,523,000

That is, in 1891, under the operation of the act of 1873 and the McKinley tariff, the farmers of the United States realized from their corn, wheat, and oats

And in 1895, under the Democratic free-trade law, they only realized

612,709,000

That means, under the same money laws, but under a different tariff law, the farmers lost \$612,709,000 in the value of three articles between the Republican year 1891 and the Democratic year 1895.

That the increase in value from 1873 to 1891-92 may be seen, I insert the value of these crops in 1873: Wheat, \$323,594,000; corn, \$447,183,000; oats, \$101,175,000.

Not only cereals, but farm animals increased in like proportion in value from 1873 to 1893, and then plunged downward:

Hogs.—The farmers' hogs January 1, 1893, were of the value of .....	\$295,425,000
January 1, 1896, they were worth only .....	186,529,000
	108,896,000

A decrease from 1893 to 1896 of more than \$100,000,000.

Sheep.—On January 1, 1893, the sheep of the country were worth .....	\$125,000,264
January 1, 1896, they were worth .....	65,167,735
	60,742,529

A decrease of the value of sheep from January 1, 1893, to January 1, 1896, of over \$60,000,000.

Horses.—In 1893 the horses of the United States were valued at .....	\$1,007,593,000
In 1896 they are valued at .....	500,140,000
	507,453,000

From 1873 to 1892 horses increased in value from \$659,707,000 to \$1,007,593,000. This was under the act of 1873 and a Republican tariff.

From 1893 to 1896, under the act of 1873 and a Democratic tariff, they decreased from \$1,007,000,000 to \$500,140,000.

Even mules thrived under the Republican laws and went the way of everything else under the Democratic policy.

Mules.—In 1893 the mules of the country were worth \$174,882,000, and in 1896 only \$103,204,000.

Of course, horses have decreased considerably because of the recent use of electricity and bicycles, but a good deal of the shrinkage in value is due to the shortening and narrowing of every business and the reduction of expenses in living and business to the lowest point caused by the Democratic tariff law.

Of course, the area of farming has increased since 1873, and to some extent the increase in the value of products may be traced to that, but the same area has existed since 1892, and the values should have at least been maintained since then.

These figures show conclusively that the falling off in the value of farm products did not begin in 1873, but in 1893.

What is the cause? Three things mainly. First, increased buying abroad; second, decreased consumption at home; and a third factor is the loss of foreign markets for farm products by the repeal of reciprocity arrangements.

Only a few items can be given, but they are sufficient to prove the whole case. Every dollar of goods bought abroad is a dollar less spent at home.

During the last eight months of the McKinley law we bought from abroad \$16,800,000 of woolen goods, at the rate of \$20,000,000 a year. In 1895, under the Wilson law, we bought \$57,559,000, an increase of thirty millions a year.

In the last full year under the McKinley law (1893) we bought from abroad 111,000,000 pounds of wool and paid for it \$13,000,000. In 1895, under the Wilson law, we bought 248,989,000 pounds, and paid for it \$33,000,000. In the one item of wool the farmer lost a market of \$20,000,000 in wool.

In the last year of the McKinley law we imported 229,000 pounds of shoddy.

In 1895, under the Wilson law, we imported 20,000,000 pounds of shoddy, every pound of which took the place of a pound of American wool.

Besides buying increased quantities of goods from abroad, we have been deprived of large markets for our agricultural products. What we need particularly is a foreign market for our flour, and thus be enabled to get rid of our surplus wheat. In Liverpool we meet the wheat of the world, and we can no longer rely upon favorable markets for raw wheat.

Under the reciprocity of the McKinley law we built up a very important trade for American flour. In Cuba in three years we increased our sales of flour from 150,000 barrels to 662,000 barrels, thus getting rid of 3,300,000 bushels of wheat on one island.

In the West Indies and Bermuda we built up a trade for 400,000 barrels of flour, or 2,000,000 bushels of wheat; in Brazil a trade for 200,000 barrels, or 1,000,000 bushels of wheat.

In Germany, under the reciprocity, our trade in flour went from 8,000 barrels to 286,000 barrels. All this has been destroyed by the Wilson bill and the farmers compelled to compete at Liverpool with the cheap wheat of the world.

The two items just mentioned are serious enough, but the next one is much more damaging to the farmer, namely, the falling off in home consumption. He has lost a large part of his best market—the home market.

A few facts will show the extent which this has shrunk. In the year 1895-96 the consumption of wheat per capita was 4 bushels; that of 1891-92, 5.7 bushels per capita. In 1891-92 the nonagricultural population each was able to pay the farmer for his wheat \$4.27; wheat was 83 cents a bushel. In 1895-96 each one paid the farmer \$2.16; wheat was then 54 cents a bushel.

What does this show?

It shows that of the forty or forty-five millions of people who buy their bread each has paid the farmer \$2.11 less for wheat than in 1891-92.

This alone reduces his home market immensely.

A still greater decrease in the consumption of corn is shown.

In 1892 the per capita consumption of corn was 30 bushels, in 1895 it was only 16 bushels.

All this simply means that a large number of people have been out of work or working fewer hours in the last year, and that they have reduced the cost of living.

The following summary as to the thirteen principal agricultural products will show what the farmers have lost by a change in the tariff laws:

In 1891 the following articles, namely, wheat, corn, rye, oats, cotton, hay, potatoes, wool, barley, buckwheat, tobacco, hogs, and sheep brought the farmers of the United States, or were valued at, \$2,957,000,000. In 1895 these same articles brought them \$2,061,000,000. Nine hundred millions less received by the farmer under the Wilson law than under the McKinley law, and both years were under the same money laws. What caused the loss? Free trade, of course.

Another test may be applied. If we find that all the principal farm products were higher in price in 1891 than they were in 1873, it will show that the law of 1873 did not hurt the farmer any. This is true of every important product except wheat and cotton, calculating the gold value of the money paid. The farm price of

wheat was from 7 to 10 cents less in 1871 than in 1873, and the farm price of oats was substantially the same.

In 1873 corn was worth in New York 48 cents per bushel, and in 1891 it was worth 80½ cents per bushel. Something seems to have inspired corn between the crime of 1873 and 1891.

In the winter of 1873 hogs sold for \$3.40 per hundred; in the winter of 1892 and 1893 they sold for \$6.24 per hundred. The act of 1873 seemed not to have hurt hogs any.

Since 1891, and since the Democratic victory of 1892, prices have gone downward at a rate unparalleled.

Oats have gone from 32 to 15 cents.

Corn has gone from 40 to 20 cents.

Rye has gone from 55 to 44 cents.

Hogs have gone from \$6.50 to \$3.

Wheat has gone from 83 to 45 to 50 cents in 1895.

Wool has gone from 28 to 19 cents.

If the farmers could go back to the prosperity of 1891, they would be happy. If you could send out among them in glittering streams the nine hundred millions lost, the shadows which now fall athwart their farms would be lifted. It can be brought back, my farmer friends, by a restoration of a proper protective tariff, but not by embarking upon an era of depreciated money.

Last year the Democratic campaign was an attempt to allure the Republican farmer from his political principles and party allegiance. He was invited to dethrone Lincoln, Garfield, and McKinley, and enthroned Bryan, BLAND, and Altgeld. But he stood fast to the faith of his fathers. The victory won by the Republican party can not, in a day, lift the country from its prostrate condition; it can not commute gloom into sunshine before Congress has time to enact a single measure, but within a reasonable time this great measure, supplemented by a wise and economical administration of our national affairs, will bring relief. God speed the day.

#### The Tariff.

#### SPEECH

OF

HON. EDWARD SAUERHERING,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897,

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. SAUERHERING said:

Mr. CHAIRMAN: Whenever the economic condition of this country is one of chaos to such a degree as to require the convening of Congress in extraordinary session by the Chief Executive, the time has come for action and not for words.

The conditions being such as they are, I should not feel justified in going into an exhaustive discussion or detailed explanation at this time of so vast a proposition as a protective tariff. I simply desire to express my approval of this bill and this kind of legislation, because it is preeminently American, because it secures to Americans those blessings which are peculiar to America. I am not expected to make an elaborate speech in favor of the proposed measure, but the eyes of my constituents are upon me, and they desire not only that my vote be recorded in favor of a bill which will restore to the farmer and the manufacturer of this country the market he had under Republican rule prior to 1892—they desire, I say, not only that my vote be recorded in favor of such a measure, but that it be recorded with emphasis. It is a source of no little pleasure to me to comply with this desire, and I furthermore am proud to know that on Wednesday next the entire ten votes to which Wisconsin is entitled in this House will be cast solidly in favor of this bill.

The district which I have the honor to represent is a purely agricultural district, and has always been known in Wisconsin politics as the "Gibraltar of Democracy." Prior to the Fifty-fourth Congress it was never represented on this floor by a Republican, and even in the election of 1892 gave its old-time, unswerving Democratic vote, electing a Democratic member of Congress by a majority over all of 6,300. However, when the Fifty-third Congress convened in regular session and began to prepare its guns for a general onslaught on American prosperity, the voters of the Second Wisconsin district regretted the policy they had indorsed and petitioned their Representative in Congress to vote for a tariff on wool and agricultural products, but without effect. But by a wise provision in our Federal Constitution, that the people shall have a right every two years to speak their approval or disapproval of those chosen to represent them in mak-

ing laws for their own government, our farmers again had an opportunity to speak by the ballot in 1894, and at that time declared for a tariff by changing the Democratic majority of 6,300 to a Republican majority of 295. And again in 1896 the farmers of the Second Wisconsin district indorsed their action of 1894 by giving a majority of 6,477 votes to the greatest living exponent of protection—William McKinley. This is certainly a strong indorsement by the people of a policy which is purely and only Republican.

Every man, woman, and child conversant with the history of our country during that quarter of a century immediately preceding 1892 knows that during that period the United States developed and prospered more than this or any other country on the face of the earth ever did during a like period of time. A little more than four years ago a prosperity was ours the like of which had never been known in the history of nations. The national debt was being decreased daily, we had a sufficient income to meet all current expenses of the Government, our people were engaged in remunerative employment, the wheels of industry were in constant motion, and both our farmers and our manufacturers found a ready market for all they could produce.

At that time soup houses were unknown to our cities, and Coxey armies and "hobos" were yet to make their "debut" before the American people. It was then that the free trader, taking advantage of our condition of happiness, prosperity, and contentment, preached to our people a theory by which he promised to maintain all these ideal conditions without labor or effort on our part. He declared that all taxes for the support of our Government are "legalized robbery" and should no longer be tolerated. While listening to the seductive eloquence of these spellbinding orators, dazzled for the moment by the splendor of finely strung, artfully devised theories, the American people forgot themselves, became infatuated with the idea of wealth and happiness without labor, embraced the policy of free trade, elected Grover Cleveland President, and invested the Democratic party with complete control of all three departments of our Government.

The completeness of the victory appalled the Democrats themselves. Having won complete control, they had no excuse for not practicing what they preached, and yet they well knew that annihilation stared them in the face if they dared to attempt it. However, being elected on principles so definitely laid down, the policy of free trade was partially inaugurated by the passage of the Wilson bill, which was a little of everything and much of nothing. Its passage was only made possible by an adjunct known as the "income tax," a veritable "vermiform appendix," which later brought on a severe attack of appendicitis, making necessary an operation which resulted in the death of the patient. There never was an act of legislation more directly calculated to rob the agricultural classes of our country than this income tax, a tax on honesty and a premium on perjury. Happily it was declared unconstitutional by the highest tribunal of justice before it did much damage.

Now, what were the fruits of this Democratic policy inaugurated in 1892. One of the first results was the issuing of bonds to meet the current expenses of the Government in times of peace. This was speedily followed by the breaking of banks, ruin of business and industries, and a general condition of panic and chaos. The people embraced the first opportunity offered them to repudiate this foolish policy by electing a Republican Congress in 1894; and in 1896, in order to give the party under whose control the American people have always thrived an opportunity to restore this country to its former position and standing, elected a Republican President and a Republican House of Representatives. The combination of Democracy, Populism, and all other "isms," asking the people to give them one more opportunity to draw them out of the mire of free trade by the free coinage of silver at a ratio of 16 to 1, could not again obtain the ear of the American people.

Our friends on the other side of the House tell us that low tariff or free trade will increase our trade with foreign countries. Now, what do the facts show? They show exactly the reverse to be the truth, strange as it may seem. And why, you ask, should not free trade increase our trade with foreign countries? I will tell you. You have reduced the American people to a state approaching beggary, and they have small capacity to buy; hence trade decreases. This is proven by statistics and can not be denied. In the first year under the McKinley law our foreign trade increased \$92,000,000, or 5.8 per cent. During the second year, 1892, it increased 12.8 per cent over that of 1890, or over \$210,000,000.

In 1893, under the threat of your Wilson bill, that \$210,000,000 shrank to less than \$87,000,000, and if the cause had continued all year, the figures would have gone below those of 1890. Your free-trade legislation decreased our surplus foreign trade of 1893 more than two-thirds, more than 68.1 per cent. Under your Wilson bill our foreign trade, our total imports and exports, fell off from the figures of 1890 \$100,000,000, or 6.1 per cent. In the next year it fell off \$107,000,000, and in 1896, when, by the growth of the



population, it ought to have increased \$66,000,000, it had only got \$15,000,000 above that of 1890.

Now, let us glance for a moment at our national finances. The late civil war left this country encumbered with a national debt so large that figures fail to convey an adequate conception of its magnitude. It seemed impossible that this country could ever fully recover from this awful burden, or do much more than get started on the road to recovery during the next century. However, a start was made soon after the war, and every year a portion of the public debt was discharged, so that in 1892 we found we had already disposed of more than two-thirds of this enormous debt, thus again demonstrating the wonderful native resources of our land and our people. The report of the Treasurer shows that the revenue receipts from all sources for 1892, the last year of the Harrison Administration, amounted to \$425,868,260.22, and the expenditures for the same period amounted to \$415,953,806.56, leaving an excess of receipts over expenditures of \$9,914,453.66. During this year \$40,570,467.98 had been paid on the public debt, which had been reduced since March 1, 1889, by \$259,076,990, and the annual interest decreased by \$11,684,576.60.

Beginning with the first fiscal year of the Cleveland Administration, July 1, 1893, the daily balance sheets of the United States Treasury almost invariably shows an excess of expenditures over receipts. Every annual report of the United States Treasurer since that day shows a large deficit, as follows:

For fiscal year ending June 30—

1894	999,803,280.58
1895	42,805,223.18
1896	25,203,245.70

Which means that during the three years of Democratic low-tariff administration the receipts of the Government were insufficient to meet the current expenditures, to say nothing about the public debt, by \$187,811,729.46.

Nor were there any signs that this condition of things would stop as long as Cleveland and free trade remained in power. For the first half of the present fiscal year the receipts of the Government were less than the expenditures by \$37,902,396.46. For the month of January of this year the deficit was \$5,952,395.24, and for the month of February \$4,395,059.28. In other words, during a period of three years and eight months of Democratic Administration the Treasury showed a deficit of \$186,061,580.44, and the interest charge on our public debt has been increased from \$22,893,883.20 in 1892 to \$34,387,297.00 in 1896. And, more than this, for the first time in our history we presented the unique spectacle of issuing bonds in times of peace to maintain our credit, increasing our public debt about \$50,000,000 a year, instead of reducing it that much.

And yet, after all this practical demonstration of the absolute failure of the Wilson bill, after all our suffering and privation because a fine theory has proven a snare and a delusion in actual practice, gentlemen on the other side of this House wax eloquent in support of this same theory, using the same stock arguments that have been used in this House time and again for the last sixty years, and will not profit by the experience of the past. But let me tell you, my friends, you forget that the American people are the most intelligent people on the face of the earth. You may fool them once, or you may possibly fool them twice, but the people know very well that when an ignorant or deceptive guide has led them from the true path into the Dismal Swamp, the only sensible thing to do is to turn squarely around and return to where they started on the wrong road, instead of following the same foolhardy leader any farther, who may possibly suggest a new path out or try and make them believe that sticking in the mud up to your ears is really the only true and ideal condition of man. You are not satisfied to know that you have brought wreck and ruin to the American people, but you are anxious to continue them in that state. You are not satisfied to know that you have increased our national debt, destroyed our credit, brought chaos to our finances, wrecked our manufactories, crippled our farmers in such a way that they may never get back to their former condition. I say you are not satisfied to know that you have brought about a condition of suffering, heartbreaking, and desolation among our people, but you are now straining every nerve to prevent the Republican party from taking them back to where they were in 1892. Your free-trade policy has not only crippled the American farmer for the time being, but by crippling him you have developed the agricultural resources of other countries, which now supply the market our farmers once had, which they may never again be able to regain.

Mr. Chairman, I particularly like this bill for the reason that it pays more attention to the real producer, the farmer, than has any previous tariff measure. The farmer is always at a disadvantage in the matter of legislation, because, as a rule, our farmers are not so well organized as most all other branches of labor, and hence he is not in position to send his representatives to the seat of government to press his claims before legislative bodies. Yet there

is no one entitled to more consideration in legislation of this kind than our agricultural classes. Large growers of specific products usually manage to get due consideration, but I now refer to the real farmers of our country, the raisers of the great staples and the small truck, the farmers of the Western fields and Southern plantations.

Since equality and equity are the foundation on which our Government rests, it is simply fair to protect our farmer as well as our manufacturer and miner. The farmer stands at the fountain head of all industry. We know he feeds us all; that his prosperity means busy hours for the manufacturers and miners of America; that happiness and plenty around the log fire in the old homestead not only means wealth for the manufacturer and work for the wage earner, but it means peace, plenty, and prosperity for our country. But so long as the farmer raises his crops at a loss per acre, so long as the sheriff's red flag floats over the mortgaged homes of the settlers on the prairies of the West or the fertile valleys and sandy slopes of the South, so long will prosperity refuse to come again; so long as hard times hang around the farmer's cabin door, so long will its reflection be seen and felt in the homes of the workmen of the nation. Under such conditions it becomes the duty of every patriotic representative of the people to carefully consider how best to promote the farmer's welfare, how best to make his, the foundation industry, pay. Enormous as is the output of our factories and our mines, yet statistics show that of the eight hundred millions export over 70 per cent come directly from the farmer.

During the discussion of this bill in this House I have noticed that our Democratic friends endeavor to pose as the friends of the farmer, claiming that the kind of legislation they advocate is certainly in the interests of the farmer, and claiming at the same time that the legislation we propose is calculated to oppress him. But luckily we are not groping in the dark on this subject. In the first place, history flatly contradicts all of their assertions on this point. In the next place, careful records have been kept of the workings of the Wilson law and of the McKinley law which preceded it, and these records deny the claims of our friends.

The value of the agricultural products imported into this country during the last year of the McKinley law was \$51,414,884. How was this affected by the Wilson law? During the first year that law was in operation there were imported into this country agricultural products valued at \$107,342,522. What does this mean? It means that during the very first year of the Wilson law the farmers of this country were robbed of \$55,927,678, because that law permitted the farmers of "cheap" countries to bring their goods upon our market free of duty. But this is not all. During the same year our exportation of agricultural products fell off \$70,000,000, making a net loss to our farmers of \$125,927,678 during one year of Wilson bill Democratic friendship. Besides these enormous losses to our farmers because of the Wilson bill there was at the same time a large falling off in our home consumption, which, however, is very difficult to express in figures. The hard times that have thrown so many hundreds of thousands of people out of employment have caused them to consume less of the farm products; and while our foreign markets for these products have been lessened, and in many places closed, the home markets have been much inferior to what they were during the period of Republican administration and protective laws.

The estimates of experts agree that the per capita consumption of wheat in this country in 1892 was 5.91 bushels, and of corn 30.33 bushels. In 1896 the per capita consumption of wheat in this country was 4.78 bushels; of corn, 14.73 bushels. In other words, in 1896 there was consumed 1.13 bushels less of wheat by every man, woman, and child in the United States than in 1892. Multiply this by 70,000,000, the number of people in this country, and you have, in round numbers, the stupendous amount of 80,000,000 bushels less of wheat consumed in the United States in 1896 than in 1892. The difference is very much greater in the case of corn, and certainly equally as great in most everything raised on the farm. And, further than this, a large number of laboring men who were once consumers, being thrown out of employment, went and took up land and became producers, thus becoming competitors with our farmers in the rapidly contracting market.

We are told by those who oppose this measure that protection does not protect the farmer. No statement is more untrue than this. Take, for example, barley. Under the McKinley bill there was a specific duty of 30 cents per bushel on barley. This was changed to 30 per cent ad valorem in the Wilson bill, which at the present price of barley means about 7 cents per bushel. Now, what was the result? Go ask the barley-raising farmer, and he will tell you that up to 1894 he never sold barley for less than 40 cents per bushel, and that 50 cents per bushel was the average price. No sooner was the Wilson bill passed, when down went prices exactly the amount of the difference between the McKinley and Wilson tariffs, or from 15 to 25 cents per bushel. Every barley-raising farmer knows that this is true, and I leave it to them to

bear me out in this statement. And right here I wish to call attention to the deception and injustice of an ad valorem tariff duty as against a specific duty, and then you will see why our Democratic friends are always in favor of ad valorem duties.

A tariff on barley of 30 cents per bushel is a specific duty, which is always the same, whether prices are high or low. This is the duty we propose in this bill. Now, a tariff of 30 per cent ad valorem is a tariff of 30 per cent of the value of a bushel of barley; hence when prices are high the tariff is higher, and when prices are low the tariff is lower. Suppose barley is worth 50 cents per bushel. Thirty per cent of 50 cents is 15 cents, and the tariff would be 15 cents. But suppose barley is worth only 20 cents a bushel. Thirty per cent of 20 cents is 6 cents, and the tariff would be 6 cents per bushel. You see that way the tariff is always lowest when you need it most. Now, I find that the maltsters along our Great Lakes are here protesting against the restoration of the tariff on barley, because they say that it would greatly injure their business—would practically shut out Canadian barley, which they can now buy at 20 cents a bushel. I say that is just why we want a tariff on barley. If these gentlemen wish to malt Canadian barley, let them take their malt houses to Canada and do it there. We want American maltsters to malt American barley at American prices. Our farmers have suffered enough during the last four years, and I insist a tariff of 30 cents per bushel is not too much, and our farmers can not compete with the Canadian and Russian farmer in the open market without this protection. I will say right here and now that no tariff bill shall ever have my vote or support which does not adequately protect the farmers of my State and district.

For the same reason I favor a restoration of the tariff on tobacco. Under the protective legislation of the Republican party the tobacco industry has been developed and fostered, so that in 1892 it was one of the most important agricultural products of this country. To-day our tobacco growers are in a deplorable condition. The last tobacco crop in this country was from one-half to one-third as large as that of 1893 and previous years, not because tobacco did not grow as well last year as in previous years, but because low prices have forced many farmers to stop raising tobacco, and others planted much less than in former years. The tobacco growers have, in years gone by, spent fabulous amounts of money in warehouses, sorting rooms, tools, and appliances for carrying on this branch of agriculture, and for years, until Sumatra tobacco gained a foothold in this country, they were reasonably prosperous, and farming lands in tobacco-growing districts paid a fair per cent on the investment. Many of our tobacco growers who purchased farms for \$100 and \$125 per acre when their yield in growing tobacco and current prices warranted them in doing so, and built their appliances at enormous cost, enhancing the value of the farm, are to-day compelled to sell them for enough to satisfy incumbrances which they had originally given to secure a part of the purchase price.

This condition of affairs exists, I am told, in every tobacco-growing section of our country. I am in favor of bringing relief to these people as against the Holland syndicate, which employs nothing but coolie labor at an expense of from 10 to 12 cents a day. We can not afford to let so prosperous and magnificent a business as growing leaf tobacco in America be annihilated by this Holland syndicate. The claim is made that we can not grow tobacco suitable for wrappers in this country. This has been successfully contradicted by the experience of years, and the tobacco industry of this country was never more prosperous than when the domestic leaf tobacco was used exclusively for cigar wrappers. We now propose to give the American tobacco grower and the American cigar that protection which is due them, and forever foster this great industry on our soil.

Now, just a few words concerning the tariff on wool. No one any longer questions the necessity of a tariff on wool. The experiment of free wool, as given us in the Wilson bill, has convinced everybody who has given the subject any attention that wool can not be grown in this country in competition with foreign countries. It has brought destruction to a large proportion of our flocks. It has not brought any appreciable benefits to anyone, and has brought bankruptcy to many. In this case, again, we find that the price of wool fell exactly the amount of the tariff on wool in the McKinley law when that law was repealed and wool placed on the free list. But that was not all our farmers lost by free wool. Up to the time of the Wilson law, which placed wool on the free list, a very large proportion of our farming lands was devoted to raising sheep and wool. A great many farmers devoted all of their lands to this purpose. But when wool was put on the free list, and it fell from 10 to 15 cents per pound, our wool-growing farmers gradually cut down their flocks, devoted part of their lands to raising grain for market, and gradually shifted from woolgrowers to general farmers. This change could not help but work great injury to those already engaged in that kind of farming, and it stands to reason that they will receive great benefits

from the proposed tariff on wool, which will again establish our wool industry and take a large part of our present farming lands out of active competition in the production of grains, corn, milk, butter, cheese, etc. A tariff on wool is what this Administration owes to the American farmer, and we hasten to do what justice demands.

Mr. Chairman, our friends on the other side of this House object to this measure because they say that tariff is a tax. Now, I would like to ask these gentlemen, how in the world do you propose to run this Government without taxation? Does not the experience of the last four years show that we need taxes, and need them badly? Was not this extraordinary session of Congress called for the specific purpose of devising means for raising money wherewith to pay our legitimate expenses? We propose to levy a tax, and we propose to do it in a way which is least burdensome to our people. Every American feels proud of this great nation, feels proud of our splendid and successful form of government, proud of our magnificent system of public institutions, unparalleled in the history of nations. We have achieved great things in the past, and, God willing, our history in the future shall be more brilliant than it has been in the past. But we all understand that such a government as ours can not be run without money. Uncle Sam's expenses for twelve months amount to the enormous sum of almost \$500,000,000. It requires nearly one and one-half millions of dollars to keep the wheels of this Government running from sunrise to sunset. Now, who is to be held responsible for this daily bill of Uncle Sam's?

In the first place, most naturally, Uncle Sam's own children, the people of this country; and no American would ever be mean enough to object to paying his proper share. We believe it is the duty of a government to make taxes rest as easily as possible on its people. With that object in view, the wisest statesmen in this land have spent much time and study, and the consensus of their opinions, from Washington and Hamilton down, is that a protective tariff is the best means of raising our taxes, because that way we give our own people all the advantages of our superior resources and make the foreigner pay a license if he wishes to share our superior markets.

Some of our friends on the other side of this House, while discussing this measure, have told us that we will offend European countries by the high protection we propose. Well, what if we do? Mr. Chairman, I would like to ask these gentlemen, What are we here for? Did the American people send us here for the purpose of enacting legislation which will provide for the development of factories in England, mills in France, or industrial operations in Germany? Thank fortune, the legislative policy of the United States is controlled at this critical time by a party which stands for America as against all the rest of the world.

We stand for a policy which is American in its highest and best sense; a policy which stands for the independence of the United States from all the rest of the world; which stands for the development of all the natural resources of the country; which stands for the founding of cities, for the building of railroads, for the extension of telegraph lines, for the digging of canals, for the growth of internal commerce, for the employment of our own people in our own country. It stands for the production within our own borders of all the necessities and all the possible luxuries which our people require. It stands for the American farm, the American factory, the American mine, the American laborer, at American wages. This policy, during the years it was in control, advanced the United States to the head of nations in accumulated wealth, in the miles of its railways, for the transportation of the property of the people, in the output of its factories, and the product of its mines.

This policy reached its highest point of development, the culmination of everything which goes to make the greatness of a nation and of a people, during the Administration of the last Republican President, Benjamin Harrison. Then every mine was working, every factory was running on full time, no matter what its product, every loom was humming, every spindle buzzing, while every furnace chimney belched forth dark clouds of smoke toward heaven. Every man and every woman who wanted employment had it, and wages had reached the highest point ever known in this or any other country, while the purchasing power of a dollar was greater than it had ever been before. Every line and branch of industry was taxed to its highest capacity, and the houses and homes of the land sheltered families which were happy in their prosperity and their prospects.

Mr. Chairman, I deem it the grandest opportunity of my life, in the discharge of my duty to country and fellow-citizens, to be able to speak and vote for a measure which will, in time, bring back to us the conditions of happiness and prosperity which were ours in days gone by. I am proud to stand here as the representative of a party which has always striven to increase the luster and maintain the honor of the Stars and Stripes, and which again will come to the rescue of the nation in this its hour of need.



## The Tariff on Wool—Schedule K and the Dingley Bill.

This mighty agricultural industry, destroyed by the Wilson bill and the hostility of the Cleveland Administration, must be restored to prosperity.

## SPEECH

OF

HON. CHARLES H. GROSVENOR,  
OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, March 29, 1897,

On the bill (H. R. 379) to provide revenue for the Government, and to encourage the industries of the United States.

Mr. GROSVENOR said:

Mr. CHAIRMAN: I very much regret that a gentleman representing in so large a part the industrial interests of New England should have seen fit to assail with any word of criticism or condemnation Schedule K of this bill, and I propose at this time to speak only briefly, and then to place in the RECORD, under the rule, what I trust will be a successful answer to his attack.

If there is one article raised, manufactured, or produced in New England that will not receive tariff protection in this bill far above any ad valorem rates of duty on American wool, I do not know what that article is.

Mr. McCALL. Will the gentleman permit me? I did not criticize simply the duty on wool, but what I said was in respect to the wool schedule.

Mr. GROSVENOR. But the trouble with the gentleman is that he takes one feature of it and then attacks both sides of it. The duty on manufactured goods is a compensatory duty for the duty upon wool.

I wish to say to the gentleman that if he will take the trouble to look into the statistics and the manufactures, he will find that during the period of the existence of the McKinley law the woolen industry thrived beyond any other period of its long and wonderfully prosperous history. There was not an idle spindle; there was not an unremunerated dollar; there was not an idle operative. What more does the gentleman want? Under that act the sheep industry of the country prospered as it never had prospered before, and the vast fields and plains in the West were sending their products to New England in exchange for the products of New England looms, and both sides of the controversy were prosperous.

The Committee on Ways and Means has refused to put any industry claiming protection in a condition where it will starve to death, and the report of the committee, in the form of Schedule K, is simply, in all respects and every practical respect, the McKinley duties over again—the McKinley classification on first and second class wools, the McKinley rates of duty, and the McKinley protection to the wool industries of the United States. That is all there is of it, and he who makes war upon this schedule makes war upon the best period of the Republican party upon this particular industry.

Mr. Chairman, time is valuable, and under the order of the House I shall place in the RECORD, as soon as I can prepare it, a complete illustration, and, I trust, a complete defense. We have been in a battle in the United States for four years upon this wool question, with the McKinley law as the watchword of the Republican party on the one hand, with its wool tariff, its wool schedule, and the Wilson law on the other; and the Republican party coming into power has come to do exactly what the St. Louis platform said. Here is the language of that platform:

To all our products—to those of the mine and the field, as well as to those of the shop and the factory; to hemp and wool, the product of the great industry, sheep husbandry, as well to the foundry as to the mill, we promise the most ample protection.

It was one of the peculiarities of that convention that it made a specific promise on the part of the party to protect the woolen industry and to restore to wool an adequate degree of protection; and no Republican can make a wholesale attack upon it unless he can show that the protection of the woolen industry is more than adequate. I will try to show that it is not more than a fair and just duty; I will try to show that under the existence of the McKinley rates we had not only prosperity but fair prices.

STATEMENT MADE BY MR. THEODORE JUSTICE, OF PHILADELPHIA, PA.

WEDNESDAY, January 6, 1897.

Mr. JUSTICE said: Mr. Chairman and gentlemen of the committee, I am neither a woolgrower nor a manufacturer, but as I have been both, I am possibly somewhat qualified to speak of the interests of both; but still I do not appear here to-day in the interest of either the woolgrower or the manufacturer—that is, in the interest of one more than the other. I particularly desire to be heard in the interest of the man who has not yet appeared before your committee—that is the consumer. There are 70,000,000 of them.

The subjects which I have arranged to speak upon here are arranged in

order. The matter is printed. I shall not attempt to read it. It is prepared for your committee. But I thought it would facilitate your arrival at just conclusions if I call your attention to some of the facts which you, not being experts, possibly might find of value.

The wool question is a difficult one for most men to understand, and an object lesson, a sort of kindergarten, will perhaps make it more plain than an elaborate article read from manuscript.

I propose to discuss the consumer, and to show how he has been injured by free wool, owing to the removal of the McKinley duties in one schedule alone. I propose to show that while the consumer has received the benefit of 90 cents per capita in cheaper clothing by reason of the removal of the duty on wool, he has been crippled in his purchasing power nearly \$9 per capita, in order that he may save 33 cents.

I desire to show how woolgrowing has been destroyed by the Wilson law and how the destruction of the industry has been checked by Mr. McKinley's election. I wish to discuss the importance of domestic wool as a munition of war.

Schedule K of the McKinley tariff was misunderstood. The erroneous impression has prevailed in the public mind that the McKinley law was too high. It was not a Chinese wall. It was not a prohibitory tariff. Under it the American people reached the highest point of prosperity. We had under it a higher degree of prosperity than any other nation in the world. I wish to show our experience under four different tariff laws during sixteen years. I will show the effect upon sheep husbandry during these periods of adequate and inadequate protection. In making a new law you will have the benefit of the experience of the past four laws. There were two periods under the last four tariff laws when we had adequate protection. If you will examine them you will see where the line should now be drawn between adequate and inadequate protection.

I will allude to the world's supply and its effect upon prices. I wish to show how American protection raised American prices and lowered foreign prices at the same time for wools of the same kind and quality; and also to show, in opposition to that, how free trade lowered American prices and advanced the foreign prices of wool of the same kind and quality.

I wish to speak of carpet wool, and of compensatory duties on woollens especially. These samples are arranged to illustrate the relation of compensatory duties to raw wool, a subject most difficult for laymen to comprehend. I desire to speak on the subject of shoddy.

Mr. EVANS. Would it be any trouble to speak on that subject first, compensatory duties?

Mr. JUSTICE. No, sir; only that it might confuse the systematic arrangement of my papers.

Mr. EVANS. You may not have time to speak fully on that when you get to it in the regular order.

Mr. JUSTICE. Anything I fail to have time to fully discuss you will have access to later on in my printed argument.

The matter of shoddy is one which, possibly, I can now pass over, because it eloquently tells its own story in the papers submitted, and requires no samples with which to illustrate it.

I also wish to show how the McKinley law was framed by a convention of both growers and manufacturers, every one of whom was an expert in his line. I wish to show how, with the exception only of Judge Lawrence, they agreed on that law unanimously. There has never been a more perfect schedule than Schedule K of the law of 1890, and, with all due respect to this committee, I do not hesitate to say there will never be a better one; barring a few changes in rates to suit present conditions, there should, in my opinion, be no other changes. No other tariff schedule has ever been framed by men so many of whom were experts. Major McKinley stated to the convention which framed Schedule K that if they would agree upon it unanimously it should go into the bill.

I propose to conclude my remarks with a draft or suggestion of a new tariff law that is adjusted to the altered conditions of the times, and that will represent McKinleyism. McKinleyism, as I understand it, means the recovery of lost industries. It means to the American producer enough duty upon imports to put him on equal terms, and no more, with his foreign competitor.

There is an impression that the equivalent of the duties imposed upon the imported manufactures of wool go into the pockets of the domestic manufacturers. I propose to show that with wages 50 per cent lower in England than in America and 60 per cent lower in Germany than in America (which of course means that wages are 100 per cent higher here than in England and 150 per cent higher than in Germany) 50 per cent ad valorem duty, only one-third of which is collected, is inadequate to protect our mills to-day. That is one of the causes of their present idleness. Another cause is the decreased purchasing power of the people. If you will permit me to briefly allude to these subjects, I will dispose of them as rapidly as I possibly can.

## LOSS TO THE NATION IN PURCHASING POWER.

The first subject to which I wish to call your attention is the loss in one year's purchasing power of the American people by the changes in Schedule K alone, which resulted in a loss in purchasing power to this nation of \$426,250,000 on the lowest estimate of statisticians. On an estimate of others it is \$1,000,000,000—the cost of our civil war. I adopt the lowest estimate, the estimate of the late General Walker, of Massachusetts. I have arranged this in debit and credit form so you will understand it.

In 1892 (before the McKinley law was enacted with repeal, and before its influence was discounted and it became a dead letter) the American people produced 145,000,000 pounds of clean scoured wool, and the average value was 55 cents (including the finest and the coarsest). In the year just closed, 1896, America produced 115,000,000 pounds of scoured wool, the average value of which to-day is 30 cents per pound. The removal of the wool duty has lessened the value of scoured wool 25 cents a pound. The 55 cents a pound on the clip of 1892 brought the American woolgrower \$79,750,000. The clip of the present year brought him \$34,500,000. The decline in the amount of money which the American woolgrower received for his wool in 1896 as compared with 1892 was \$45,250,000.

The CHAIRMAN. If you will pardon me right there for making an interruption, I would like to ask was that decline confined to the United States alone?

Mr. JUSTICE. Yes, sir.

The CHAIRMAN. There was no decline in the foreign wool-producing countries, taking, for instance, the London market?

Mr. JUSTICE. I am speaking of the loss to the American woolgrower.

The CHAIRMAN. The question was as to whether there were other causes for the decline aside from the removal of the duty.

Mr. JUSTICE. No, sir; the foreign markets advanced; and if they had not, the loss here would have been much greater. Prices for Port Phillip wool in London have advanced 30 per cent since Mr. Cleveland issued his second-term inaugural message.

I was approaching the loss to mill hands in the year 1896. The census of 1890 showed that the people working in woolen mills earned annually about \$80,000,000. The mills in 1896 were running less than half time, and, therefore, there was less than \$40,000,000 actually earned. Manufacturers will testify that the consumption of wool in 1896 was less than half of the consumption of raw wool in a normal McKinley year. Therefore, there was a decrease of

over \$40,000,000 in the wages of the mill operatives, and a decrease of \$45,250,000, as stated before, in the value of the wool to the grower. That makes \$85,250,000 that was lost to two classes of labor, viz, the woolgrower and the woolen-factory laborer. It has been stated that wages earned by laboring men circulate ten times during a year, and that money earned by farmers from the proceeds of farm products circulates five times during the year. I am willing to assume that wages earned by mill hands circulate no more during the year than those of the farmers, and therefore we will multiply by five this \$85,250,000 loss in purchasing power by two classes of people alone to show what has been the loss in the purchasing power of the American nation from the reduction in the wool schedule alone. It reaches the enormous sum of \$426,250,000. This is partly the cause of the depression existing everywhere to-day. Everybody has suffered from this decreased purchasing power of the nation. If you distribute this \$426,250,000 among 70,000,000 people, it amounts to a decrease of purchasing power of about \$6 per capita.

Of course, they are entitled to a credit arising from cheaper clothing through the placing of wool on the free list. If you take what has been saved by the reduction of the cost of scoured wool, amounting to 25 cents a pound, you have saved \$35,000,000 in the cost of clothing and have lost \$426,250,000 in purchasing power. The 70,000,000 people which I stand here to represent have saved 35 cents each, but have lost about \$6 each.

In 1895 the consumption of domestic wool was 21 per cent less than the average of four previous years.

In 1895 the American clip was 10½ per cent smaller than average of previous four years.

LOSS IN ONE YEAR'S PURCHASING POWER OF \$426,250,000 TO CONSUMERS BY REMOVAL OF MCKINLEY'S WOOL DUTIES.

Dr.

Domestic production of scoured wool:	
145,000,000 pounds, at 55 cents*	\$79,750,000
115,000,000 pounds, at 30 cents†	34,500,000
Decline in price, 25 cents	45,250,000
Loss to mill hands‡	40,000,000
	85,250,000

Each \$1 earned in wages circulates five times during the year. Loss to consumers in one year's purchasing power by change in Schedule K, \$426,250,000, or a per capita loss for 70,000,000 people of \$6.09.

Cr.

Domestic consumption of raw wool, including that contained in imported woolsens:	
650,000,000 pounds yielding 260,000,000 pounds scoured wool;	
260,000,000 pounds, at 25 cents, \$65,000,000, or a per capita gain for 70,000,000 people of	.93

Net loss in purchasing power to each consumer..... 5.16

I have thus far dealt with the question only as it affects the per capita consumer. I now wish to treat it as it affects the woolgrower alone. The loss to the average woolgrower in the State of New York between the McKinley price for his wool and his sheep and the free-trade price to-day is \$430 to each woolgrower. He is entitled to a credit for what he saves on his clothing. I will allow him eight suits of clothing annually for his family, each suit containing 3 pounds of scoured wool, or 24 pounds of scoured wool, at 60 cents, the McKinley price for wool above the average quality. The cost for 24 pounds at the Wilson-law price is 30 cents. He has saved by free wool \$7.20. The net average loss, therefore, by free wool is \$422.80 for every grower. This is how free wool affects these consumers, and to a lesser degree all other consumers.

March, 1893, and previous, 600 pounds of scoured wool, at McKinley price, 60 cents.....	\$360.00
October, 1895, and previous, 600 pounds of scoured wool, at Wilson-law price, 30 cents.....	180.00
Loss on wool.....	180.00
March, 1893, and previous, 200 sheep, at \$4.....	800.00
October, 1895, and previous, 200 sheep, at \$2.75.....	550.00
Loss on sheep.....	250.00
Total loss on wool and sheep.....	430.00

Clothing, eight suits, at 3 pounds on each suit, 24 pounds, McKinley price, 60 cents.....	14.40
Clothing, eight suits, at 3 pounds on each suit, 24 pounds, Wilson-law price, 30 cents.....	7.20

Saving on eight suits of clothing by free wool..... 7.20

Net loss to each grower by free trade in wool..... 422.80

EFFECTS OF FREE WOOL—IMPORTATION OF WOOLEN TEXTILES INCREASED 53 PER CENT—A LOSS OF \$100,000,000 IN THE PURCHASING POWER OF THE AMERICAN NATION CAUSED BY THE WILSON-GORMAN LAW.

I have an additional evidence of loss to consumers in a letter which I will come to further on—a woolgrower in Texas, who writes that in 1891 he received 21 cents in Texas for his wool, and the year before last, 1895, only 4½ cents, and last year, 1896, less than 4 cents. He has furnished me with his accounts of sales, to produce, if desired. His wool was sold in St. Louis. He states that all the woolgrowers in his part of Texas had decided not to breed their ewes, but to fatten all their sheep and sell them to the slaughterhouses. Since McKinley's election, and under the promise in the St. Louis platform of "the most ample protection" to sheep husbandry, they are again breeding their ewes and preparing to increase their flocks.

MCKINLEY'S ELECTION CHECKED THE SLAUGHTER OF SHEEP—DECLINE IN WOOL IN TEXAS FROM 21 CENTS IN 1891 TO LESS THAN 4 CENTS IN 1896.

SEYMOUR, TEX., December 1, 1896.

DEAR SIR: In reply to your many circulars and letters received of late would say all flock owners appreciate the interest you have manifested in their welfare, and in the election of William McKinley for President by the help of the literature you have put out. We know he is the rock upon which we have to build our hopes. At the distance at which we are apart you can not realize the condition to which we who are engaged in sheep raising have been brought in the past four years. In October, 1891, my clip was sold at 20½ cents per pound net, while my 1894 clip netted me about 5½ cents, my 1895 clip

netted me 4½ cents, and 1896 less than 4 cents. I have the accounts of sales to substantiate what I say if anyone doubts it. The cost of raising sheep has increased instead of decreased, as we have to pay for all the range we use. It costs me \$900 per year to range 2,000 sheep, \$35 per month for labor, about \$10 per month for board, a wagon and team, a camp outfit, salt, and many incidental expenses not enumerated, which make the cost to us nearly 50 cents a head to run our sheep, and besides we have wolves to kill the sheep.

This year's clip of this section of Texas was all shipped out by the 1st of July and has been sold in St. Louis at 6 cents, netting the growers less than 4 cents. There is no fall shearing done in this part of the State to amount to anything of late years. So far as I could learn, all sheep owners had made up their minds to fatten and ship out their entire flocks if McKinley had not been elected, not breeding any at all, but with his election almost all are breeding their flocks, hoping to regain a part of what they lost during the past four years.

I remain, yours, respectfully,

W. B. OGDEN.

JUSTICE, BATEMAN & CO.,  
Philadelphia, Pa.

#### WOOL AS A MUNITION OF WAR.

I would speak of wool as a munition of war. Imagine our condition if we destroy our flocks, and so become dependent upon British colonies for our wool supply. Having no mercantile marine, our wools from Australia are being carried to-day under the British flag. In case of trouble with England, what would be our predicament? We would be without wool, which is as important to us as a munition of war as it is to our personal comfort. Possibly it would bring the importance of the matter more plainly before you if I allude to the difficulty which the Southern Confederacy had from that cause; but that was a small matter in comparison with what happened to General Washington's army. There had been no pretense of uniforming his troops. The only regiment that was uniformed at all at that time was the red feather militia regiment from Philadelphia, wearing imported cloth. Previous to the Revolution there was not a wool factory in America. Clothing was made from yarn spun in the household. The women spun the yarn and the itinerant weavers from Yorkshire did the weaving on handlooms. The only mills in the country were fulling mills, where goods were sent to be finished. When Washington crossed the Delaware in the ice in a snowstorm and fought the Hessians at Trenton, his troops were in threadbare and ragged clothing. They were wearing what they had started with from their homes when they enlisted. At Valley Forge 4,000 of Washington's soldiers were relieved from outdoor duty because they were practically naked. At the time Washington doubtless reflected on the importance of woollen factories as a home industry necessary to provide munitions of war. This thought must have been present with him ever after, as his first official act after becoming President was the signing of a protective-tariff law.

#### MCKINLEY LAW WAS NOT TOO HIGH.

Now, I wish to speak of the McKinley law, which has been regarded by many who were not well informed as "a great, high Chinese wall—a prohibitory tariff." The uninformed public had that impression. It was not true of Schedule K. Under the first three years of the McKinley law (and I consider it was practically repealed after March 4, 1893, when Mr. Cleveland issued his message) we imported wool and woolsens to the annual average value of \$50,000,000, upon which the duties were over \$42,000,000. Could it have been a Chinese wall? Could it have been a prohibitory tariff if all these goods were imported in spite of it? What was the result of the so-called "prohibitory tariff" to the American people? In one year after the McKinley law was passed the average value of clothing was cheaper than ever before, and so was wool. I now come to the question of the experience with four different tariff laws, to which I would like to call your attention as the most important portion of my paper. Upon you rests the responsibility of forming a tariff law that will last for many years. All parties are willing to concede something for a settlement that will endure for some years. Mr. Cleveland, I believe, said, among the many other catchwords which have been good things to say, that "the tariff will never be settled until it is settled right." It will never be settled right so long as any clause in it permits the destruction of an important American industry. In making the suggestions which I propose for your assistance in this grave matter I have in view the fact that a large number of our 70,000,000 people are not generally informed on the subject of the tariff question. It is impossible to enlighten them, and therefore I would ask for the very least increase in duties that is necessary to check the destruction of important industries that are being rapidly annihilated by Schedule K of the Wilson law.

I ask for the very least that will start our mills; the very least that will give back to the American people this \$6 per capita, or \$412,500,000, lost to consumers in purchasing power through this one Schedule K, upon which you are to act through the information you will receive from the gentlemen appearing here to-day and to-morrow. This diagram (page 738) which I hold in my hand you will see is divided into four periods. The first period comprises the latter part of the tariff law of 1867, when the duty upon wool was 19 cents a pound plus 11 per cent ad valorem on wool costing 32 cents per pound and under, and 12 cents per pound and 10 per cent ad valorem on wool costing over 32 cents per pound. The amount of duty collected on wool of the first class under this law of 1867 was 12½ cents per pound and upward. Under that law our flocks increased with strides and bounds. In the last four years of that law we increased our flocks 25 per cent. In sixteen years more of that law, undisturbed, with 12½ cents per pound duty on unwashed skirted wool of the first class, we would have doubled our clip. If that law had been permitted to continue and the increase had kept on at that rate, by 1895, or soon thereafter, the American woolgrower would have produced 650,000,000 pounds of wool, which is all that is consumed by the American people, including that used in all of our imported woollen goods.

What happened then under similar conditions can happen again. I don't want to cause a shiver by proposing 12½ cents per pound duty now, when the McKinley law imposed only 11 cents. Conditions have changed since the McKinley law was passed. I think that a little lower duty now would produce the same results that that duty produced at that time. I am sure that 12½ cents per pound would return our flocks to where they were in 1891 inside of eight years.

The second division of this diagram covers the operation of the tariff law of 1883, which was, I presume, the worst tariff law in modern times, as far as Schedule K is concerned, ever had up to the passage of the Wilson law. Under it all the finest productions of woolsens that the science and improvements of machinery could produce were admitted at a lower duty than was collected upon the cheapest shoddy goods, because the courts decided that the commercial name of such superfine cloths was not woolsens, but "worsted." The loss of employment by the American factories under such conditions closed our mills and narrowed the market for wool. Even 10 cents per pound on wool failed to be adequate protection under these conditions. We were without a good home market for our wool. The duty had been reduced from 12½ to 10 cents, but the industry languished not so much because 10 cents was inadequate as because of the loosely drawn schedules. The custom-house was heated in a thousand ways. The article, "wool top," [exhibiting sample] was not named in that law of 1883. It should have paid a

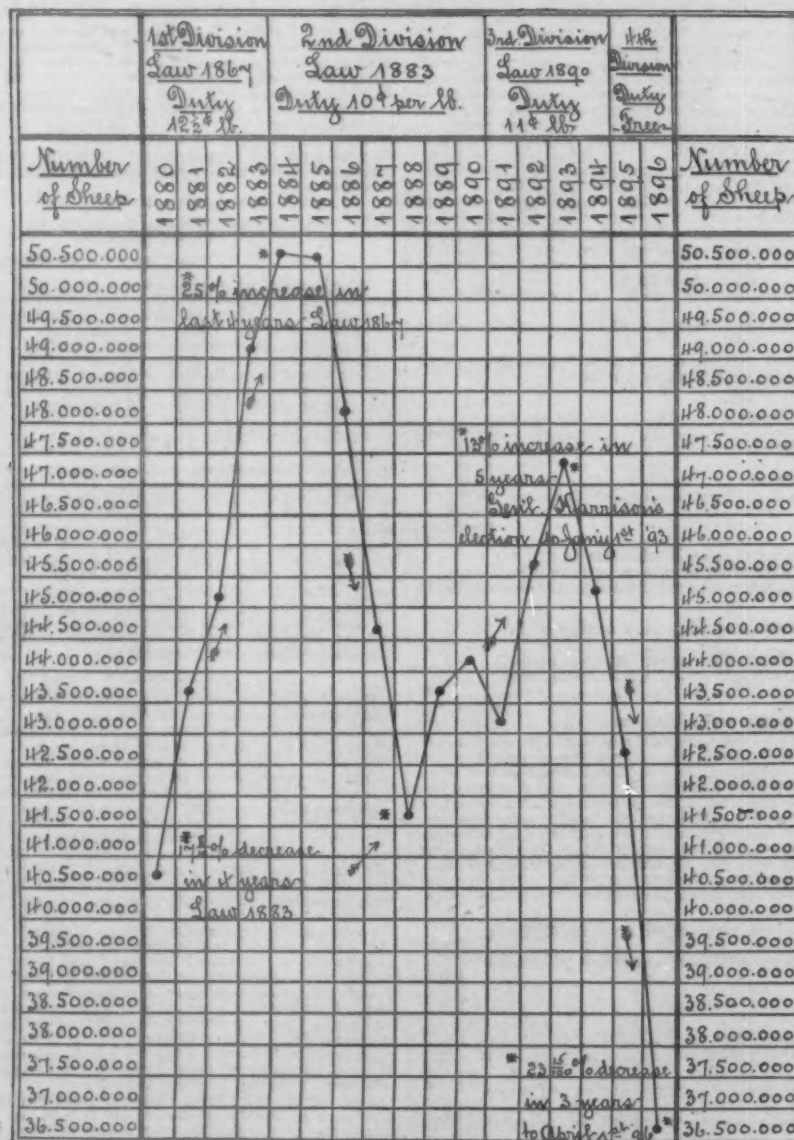
\* The average price in the McKinley-law period.

† The average price in the Wilson-law period.

‡ See Appendix A, "Prophecy and experience."



## APPENDIX TO THE CONGRESSIONAL RECORD.

EXPERIENCE WITH FOUR DIFFERENT TARIFF LAWS.  
SCHEDULE F.

\*From the Bulletin of the National Association of Wool Manufacturers.  
Sept 1896

duty of 60 cents per pound—30 cents as scoured wool, and double duty because it was changed from the usual and ordinary condition of scoured wool. There was such a schedule that made tops (which had heretofore been unknown commercially except to a limited extent) pay a duty of 60 cents per

pound. "Tops" are the result of the first process after carding and combing clean, scoured wool.

Mr. GROSVENOR. It has been said that tops are made out of waste—something that is equivalent to waste—a mere by-product.

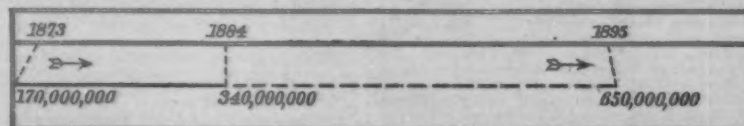


Diagram showing that at the rate of increase from 1873 to 1894 under the protective influence of the tariff law of 1867, if continued at the same ratio until 1895, the wool clip of the United States would then have reached 650,000,000 pounds, which, including the wool contained in imported goods, is all that is annually consumed by the American people at the present time.

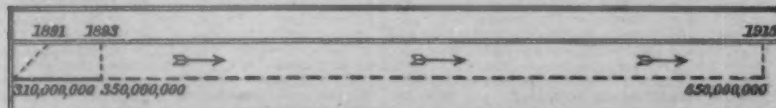


Diagram showing that at the rate of increase from 1891 to 1893 under the McKinley law, if continued at the same rate until 1915, the wool clip of United States would then have reached 650,000,000 pounds, which, including the wool in imported goods, is all that is annually consumed by the American people at the present time.

Mr. JUSTICE. I was just coming to that. This is the same article. It is top broken up in pieces and commercially named "waste." It was imported as "waste" under the law of 1883. It was broken up by machinery made for the purpose of cheating our Government and in order that its commercial name might become "waste." The courts have decided that imported articles should pay the duties at the custom-house according to their commercial designation. Silks suitable for many clothing purposes under the tariff of 1883 came in under the commercial name of "hat trimmings," and the Government had a suit about that, involving millions of dollars. This "broken top" came in then under the commercial name of "waste," and hundreds of thousands of pounds of these so-called wastes, but really highly purified and the most valuable form of pure, scoured wool, came in at 50 cents per pound less than their proper duty. To-day this merino scoured wool [showing sample] is worth 30 to 35 cents in London, while this [showing sample] so-called "waste" is worth 37 to 40 cents in London, worth nearly as much as this top [indicating], a partial manufacture of wool. The McKinley Schedule K was so worded as to stop this abuse. "Waste" cases were tried in our courts. The Government claimed a duty of 60 cents per pound and the importers only 10 cents. The manufacturers interested in importing it at 80 per cent less than its proper duty brought in droves of people from the mills to testify that it was commercially known as "waste." They were shown samples and were asked, "Are you familiar with this?" "Yes." "What do you call it?" They would answer, "Oh, it is waste." A hundred men from the mills were run through the witness stand in almost as many minutes and a few brief questions asked. The testimony was always the same. It was "waste." The testimony of the few who knew that it was top broken up to cheat the Government had no influence, and so the judge decided that as the weight of the evidence was that it was "waste," the verdict went against the Government, and it was admitted as "waste" at a duty of 10 cents per pound. That was one of the abuses of the law of 1883 that caused the wool industry to decline when the duty on unwashed was 10 cents per pound. There could be no satisfactory sale for American wool when you could bring in that valuable article [indicating sample of broken top] at 10 cents a pound duty, instead of 60 cents per pound. It paid only the duty of shoddy, while it was worth 900 per cent more than shoddy. Those were some of the reasons why 10 cents per pound was then inadequate and our wool producers were injured.

The CHAIRMAN. That fraud on the revenue was cured by the act of 1890. Mr. JUSTICE. It was, but the Government loss in revenue had been 50 cents a pound. The decline in the number of sheep under the tariff law of 1883 began to show by 1884, and by 1888 there had been a decrease of 17 per cent in their number. In 1888, when General Harrison was elected, the decline was checked, because the platform upon which he was elected had in it a clause which declared for protection for wool. That clause, I consider, caused him to be elected. Two years before the McKinley law was passed, but under the promise of the McKinley law, with only 10 cents per pound duty on unwashed skirted wool of the first class, the flocks increased. This 10 cents seemed to be adequate then; therefore I differ with Judge Lawrence when he states that 10 cents a pound was never adequate. I say 10 cents when our mills are busy and when there is a good market for American wool is adequate. But when the Judge undertakes to say that the McKinley law was not a measure of adequate protection for wool, I also differ with him and can show beyond any possibility of doubt that both wool and woolsens were amply protected under that law. So far as Schedule K goes, I would be glad to see it reenacted almost without the crossing of a "t" or the dotting of an "i," and if reenacted I believe both manufacturers and growers in less than one year would again prosper as they did before.

I hope to be able to demonstrate that, while the McKinley law was a measure of adequate protection, it was not a "Chinese wall" nor a prohibitory tariff.

The next or third period of my diagram begins in 1888, when Mr. Harrison was elected, and continues from that time up to President Cleveland's second inaugural message. Under the adequate protection of the third period the clips increased 13 per cent, and if that rate of increase had continued until 1905, according to commercial estimates, and until 1915, on the estimates of the Department of Agriculture, America would have produced 650,000,000 pounds of wool, which is the entire quantity we consume.

Now, I come to the last period, the period of free trade, in which cries of despair come from every quarter of the land.

When President Cleveland made it known in his inaugural that he meant to continue his assault upon the wool industry, the farmers, knowing that he had both branches of Congress with him, realized that their fate was sealed; and while the price of sheep was high, they were butchered in countless numbers. This diagram in the fourth part shows that the destruction of the flocks began immediately. From March, 1893, to March, 1896, 23 per cent of the sheep had disappeared. This in the short space of less than four years. This is only the estimate of the Department of Agriculture; others, with more accurate means of knowing, make the destruction much larger.

Judge Lawrence has alluded to the estimate of Mr. Snow, who was assistant statistician of the Agricultural Department. This gentleman has access to all of the means for acquiring information possessed by the Government. He made a canvass recently on his own responsibility, and he declares the number of sheep to-day to be only 32,000,000, which is less than I show in this diagram. I adopt for the diagram the official figures, but I believe the commercial figures, based on Mr. Snow's estimate, to be the more accurate. Under the latter we have fewer sheep in the United States to-day than we had in 1865, at the close of the war. (See table following giving number of sheep since 1860.)

Number of sheep on hand each year from 1860 to 1897.

January 1—	Number.	January 1—	Number.	January 1—	Number.
1860	22,471,275	1873	33,002,400	1886	48,322,331
1861	23,471,275	1874	33,938,200	1887	44,759,314
1862	24,971,275	1875	33,783,600	1888	43,544,755
1863	26,971,275	1876	35,935,300	1889	42,599,079
1864	29,471,275	1877	35,804,200	1890	44,336,072
1865	32,471,275	1878	35,740,500	1891	44,431,136
1866	35,971,275	1879	38,123,800	1892	44,938,305
1867	39,385,396	1880	40,765,900	1893	47,273,553
1868	38,991,912	1881	43,576,899	1894	45,048,017
1869	37,724,279	1882	45,016,224	1895	42,294,064
1870	40,853,000	1883	49,237,291	1896	38,286,793
1871	31,851,000	1884	50,626,026	Apr. 1, 1896	36,464,465
1872	31,679,300	1885	50,360,243	Jan. 1, 1897	32,000,000

a Estimate of National Association Woolen Manufacturers.  
b Estimate of W. B. Snow, formerly Statistician of Agricultural Department.

This enormous increase, the result of the law of 1867, reached the highest point at the beginning of January, 1884. We then had over 50,500,000 sheep. To-day there are, on Mr. Snow's estimate, which I believe to be correct, only 32,000,000 sheep, a decline of 36 per cent. Under free trade one of the greatest agricultural industries is literally being annihilated. If the destructive influence of free wool is not checked at once, we will soon be without wool. In this connection I ask you to again let your thoughts revert to the condition of that patriotic band at Valley Forge. I beg of you to consider what may befall this proud nation under similar circumstances in case of a war with Great Britain. Do not let the lesson learned at Valley Forge be in vain.

Some questions were asked Judge Lawrence, I forget by whom, as to how many years, with adequate protection, it will take before we will be able to restore our flocks to where they were in 1884. The top line in this diagram (page 740) shows the increase in Australia from 1873 to 1884, when our destruction began, to have been from 280,000,000 pounds of wool in 1873 to 400,000,000 pounds in 1884, an increase of 64 per cent. In Argentina this line [indicating] represents the increase during the same period to have been 35 per cent. In the Cape of Good Hope the increase was 60 per cent. Great Britain, the only country in the Northern Hemisphere which I take for comparison which has climatic conditions like ours, sustained a decline of 19 per cent in her wool clip. In the Southern Hemisphere they have pasture all the year round, and no winter feeding is required. In Great Britain the sheep are fed in winter, as they are in the United States. They are fed crops, and crops are labor. It costs nothing for the sheep to grow crops. The labor of tilling the soil and of harvesting the crops is 80 per cent of the cost of the crops. Allowing 10 per cent for interest and taxes, the other 90 per cent is the labor. Therefore the sheep in the United States and Great Britain during the winter months are fed labor, so to speak. What was the result? England on a free-wool basis could not compete with her own colonies, and there was a decline in her production of wool, as stated before, of 19 per cent. Now, what took place in the United States at the same time? At that time we had the tariff law of 1867, with duties of upward of 12½ cents per pound on unwashed wool of the first class.

It was under this period the last four years of which our wool clip increased 25 per cent. During the years here selected for comparison, which end with the tariff law of 1867, the United States increased its whole clip from 170,000,000 to 340,000,000 pounds. We increased 100 per cent. We beat the world; and what has been done once, under similar conditions, can be done again. The duty of over 12½ cents of the law of 1867 shows what adequate protection will do. If 70,000,000 people could be informed of these facts, if we could have access to their patriotism and their good common sense, if they would only read one-half of what has been ably written, they would quickly restore that portion of the sheep industry that inadequate duties have destroyed. This other diagram is the same, except that it goes further, and with the reduction of the tariff to 10 cents in 1883, coupled with those evasions of the tariff before alluded to (which deprived the woolgrower of his home market and resulted in the closing of our mills, when superfine worsted cloths came in at lower duties than the commonest shoddy goods), the effect upon the American woolgrowing industry was quickly shown. It was like the barometer before a storm; we let foreign manufacturers make for us the goods that had heretofore been made here. Every other nation then increased its wool crop. Even Great Britain, whose flocks had previously been declining, as has already been shown in the previous diagram, as soon as her manufacturers captured our markets increased her flocks to supply wool for goods to go to America. Perhaps the only woolgrowing country in the Northern Hemisphere where the conditions are at all parallel to ours is England. But their winters are more favorable than ours for sheep raising, for there so soon as the snow melts the flocks can be turned out to pasture. Here our sheep, in the Northern States east of the Missouri at least, have to be fed crops almost all of the winter. Our pastures are frozen dry.

#### FREE WOOL AND PROTECTION PRICES COMPARED.

We next come to the comparison of prices for wool between London and America, from 1868, the year after the tariff law of 1867 was passed, up to 1891. This is an old paper, which I used before the Ways and Means Committee of a former Congress when Mr. Springer was its chairman.

Table of comparison between protected American wool and similar wool in free-trade London.

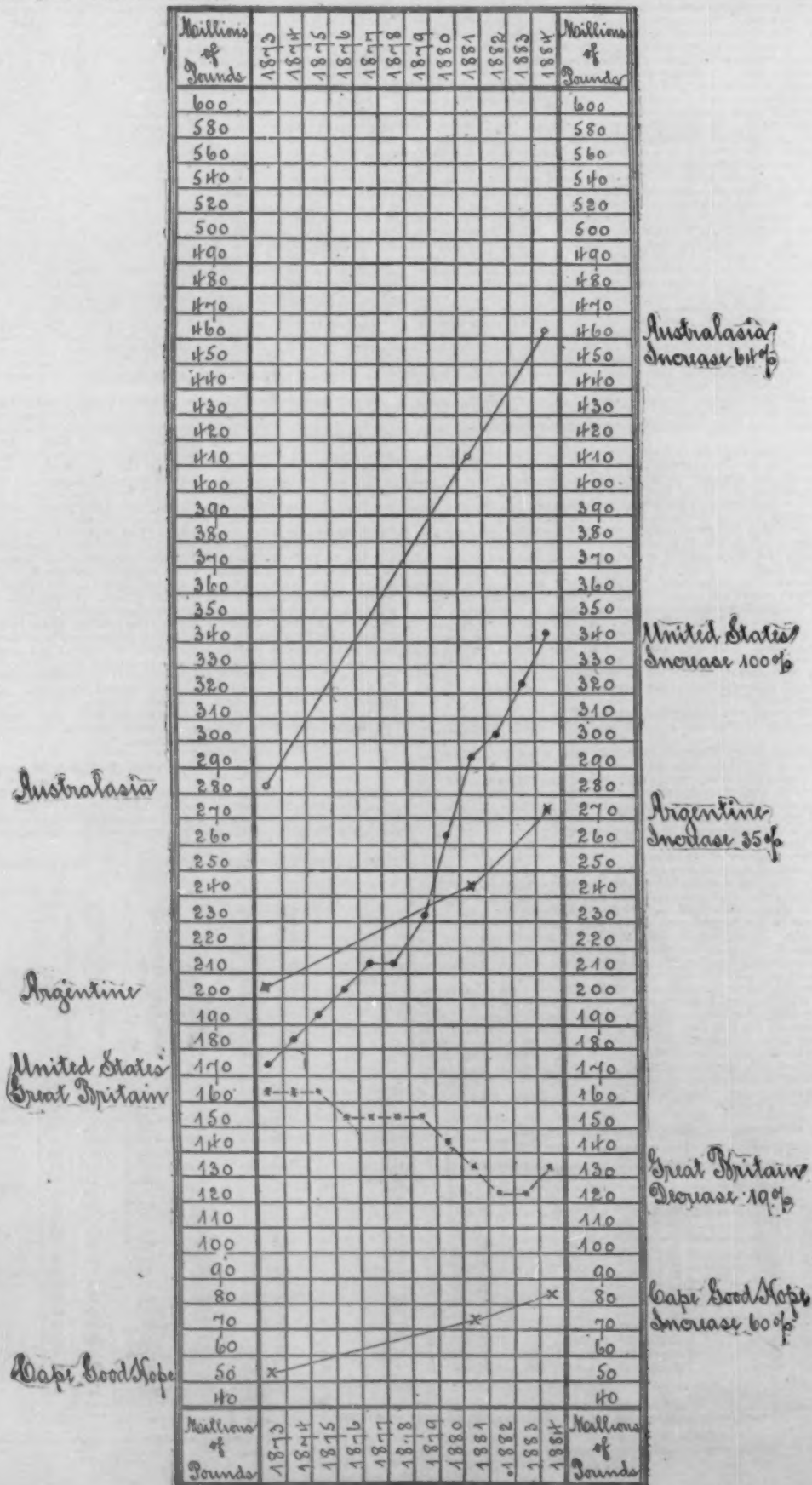
Year.	Ohio medium fleece, Shrinkage 40 per cent.	Australasian medium fleece, No scoured, No shoddy, No grease, Shrinkage 40 per cent.	American scoured medium.	Australasian scoured medium.	Percentage of cost of free wool below protected wool.
1868	43	21½	\$0.71½	35½	50
1869	50	21½	.83½	36½	56½
1870	46	20½	.70½	34½	55
1871	46	27	.76½	45	41½
1872	72	31½	.88	53	40
1873	68	29½	1.13½	47½	58
1874	54	24½	.90	41½	54
1875	56	25	.96½	41½	55½
1876	52	23½	.86½	39½	54
1877	43	22½	.71½	37	50
1878	45	21	.75	35	40
1879	35	21	.58½	35	47
1880	35	23½	.91½	39	57
1881	49	20½	.81	34	58
1882	44	18½	.704	31	59½
1883	43	15½	.71½	26	63½
1884	40	16½	.66½	27	59
1885	33	17½	.55	29	47
1886	36	18½	.60	21	48
1887	36	19	.63½	22½	48½
1888	35	18½	.58½	31	47
1889	38	19½	.63½	33	48
1890	37	20½	.61½	33½	45
1891	37	20½	.61½	34	44½
Average					51

Average percentage of cost of free wool in London below protected wool in the United States between 1868 and 1877 on currency basis, 50.95 per cent.

Average percentage of cost of free wool in London below protected wool in the United States between 1878 and 1891 on gold basis, 51.30 per cent.



Under the adequate protection of the tariff law of 1867 (when the duty on wool of the first class was 12½ cents per pound and upward) the clip of the United States increased faster than that of any other nation in the world. During this period wool in London of the same kind and quality averaged more than 60 per cent below the prices in the United States.



We call attention to the fact that the American quotations from 1868 to 1877 were in currency, while the English quotations for the same period were in gold; that medium wool of the same grade, quality, and condition in free-trade London was more than 50 per cent below the value of the same kind of wool under protection in the United States. We also call attention to the fact that the quotations for American and English wool between 1878 and 1891 were both in gold, and during this period wool of the same diameter of fiber and in the same condition averaged 51 per cent lower in free-trade London than under protection in the United States.

I reproduce it because it is pertinent to this question. We take a fine medium fleece of half-blood merino quality and compare it with the New Zealand crossbred of the same kind, quality, and shrinkage. We compare the price in America from 1868 to 1891 with the price in London of wool of the same quality, during all of which period the duty was 10 cents per pound or over, and we find the American price was more than double the London price. In other words, the London price during that period averaged 51 per cent below the American price.

Now, it will be stated that we had a premium on gold during part of that time. That does not appear to have made any difference in this average price, because the period I have taken—from 1868 to 1877, when there was a premium upon gold—shows that the London price was 50.95 per cent lower than the

American price; and from 1878 to 1891, the London price, when we were on a gold basis, was 51.32 per cent lower than the American price. The two periods, figured together, show the London average to have been 51 per cent below the American average. I wish to call your attention to that particularly, because in making the new law the question of percentages may be presented by the ingenious free-trade gentlemen on the other side in such a way as to alarm you into a state of semipanic.

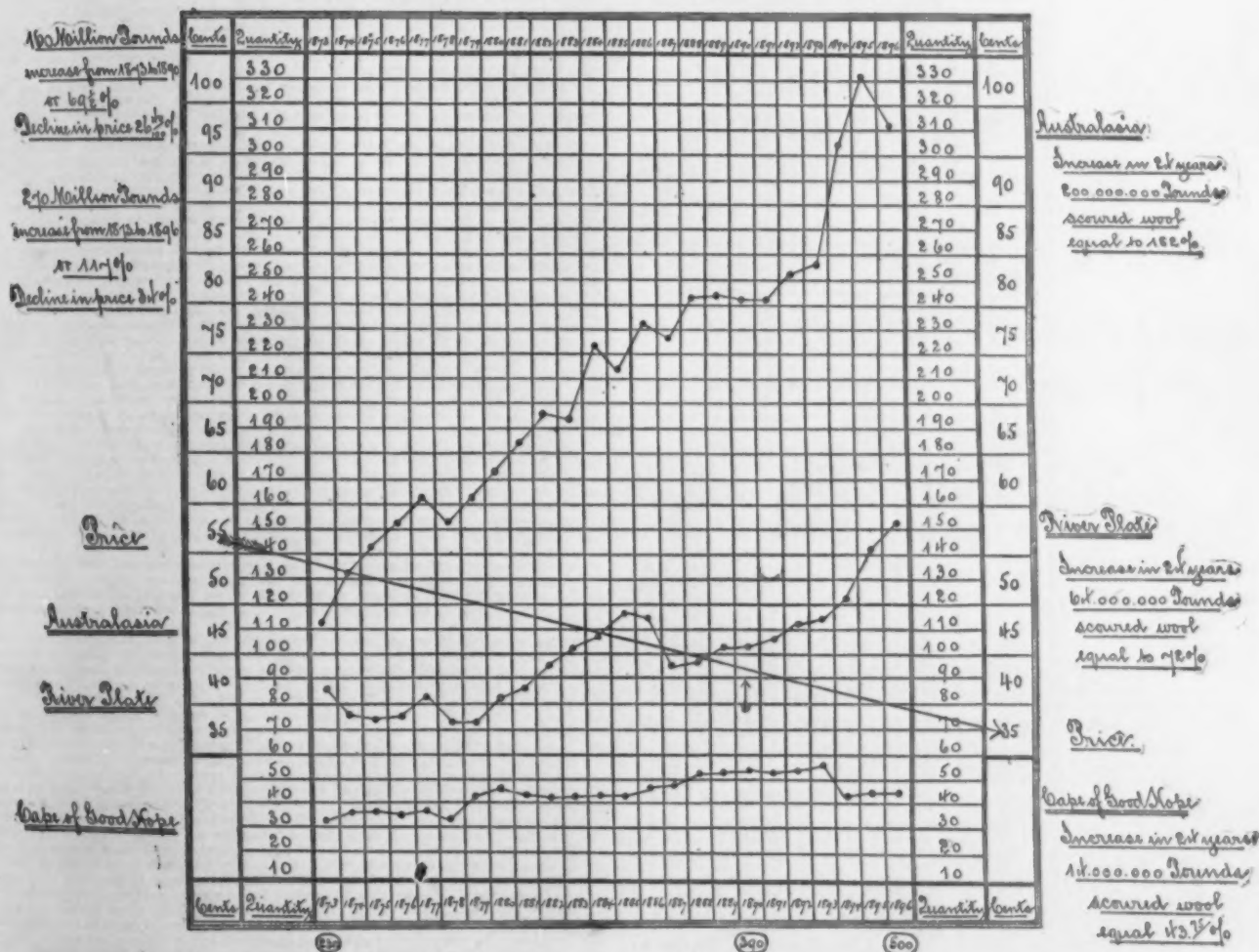
The tariff question presented in this way seems to give protectionists a sort of chill. I wish to impress upon you the fact that the price of wool in London for this long period of years was less than half the American price, 51 per cent less; or, in other words, the American price was 102 per cent higher than the foreign price. No wonder the flocks increase! Major McKinley is President-elect of the United States to-day because, through good and ill repute, he had the courage to stand up for protection that would protect, be it 50 per cent or 100 per cent. Any duty that falls short of covering the difference between the American and foreign wage or cost of production is only a revenue duty and is not in any sense protection.

The framing of any tariff law that will be permanent must deal with the rapid increase in the world's supply of wool, which, in all probability, will continue at the same rate for ten or twenty years to come.

This table is partly the copy of a chart furnished by Messrs. John L. Bowes

### The Production of Wool in Countries named during the last 24 years 1873-1896.

The quantities are stated in Millions Pounds Clean Scoured Wool.



& Bro., of Liverpool. In it the wools of the Southern Hemisphere are reduced to the scoured condition, because some of them in scouring shrink 75 and some 80 per cent, and others only 40 and 45 per cent, from the grease condition as sold by the grower, and a comparison of the grease condition would be misleading. This condition (displaying a sample of scoured) always determines the price of wool in the grease. The grease price is based upon the yield of scoured wool like this sample (displaying).

The wool clip of Australia alone, since 1873, notwithstanding a recent temporary decline on account of a severe drought, shows a steady increase from 110,000,000 pounds of scoured wool in that year to 310,000,000 pounds in 1896, an increase of 200,000,000 pounds of clean-scoured wool, equal to 182 per cent. You see there was a decline of the River Plate for several years, yet an increase from 80,000,000 pounds in 1873 to 150,000,000 pounds in 1896, or 87½ per cent increase in that time. (The diagram contains 72 per cent increase; it should read 87½ per cent.) The Cape of Good Hope increased 43 per cent during the same period. The increase in the world's wool supply decreased the world's wool price. This is indicated here by the inclining line downward (indicating on chart), showing the decrease in price as the result of the enormous increase in supply. In consequence of this, prices for scoured wool fell from 55 to 35 cents. Prices fluctuated, and if each separate year were indicated it would require a zigzag line; but the incline, with brief interruptions, is always

steadily downward. That enormous increase in the supply is therefore the cause, and the fall in price is the effect. This is the price of wool in 1873 on the left of the chart (indicating); this is the increase in the supply on the right. Ohio XX wool in 1891, one year after the McKinley law was passed (although the price was lower than in the previous year), cost 73 cents scoured clean.

In March, 1895, when we began to buy foreign wool freely in London, Ohio XX scoured had fallen to 35 cents in the United States. This was also about the value of wool of the same kind and quality in markets of the world. The same class of wool in London in 1891 was worth under 40 cents, while it was worth 73 cents in the United States; but by February, 1895, after the free-wool bill induced our manufacturers to buy wool in Europe, the price immediately began to go up over there. So you see the increase in the world's supply depressed the foreign price until wool was put upon the free list and foreigners had secured the American market. Skirted Australian wools were then much cheaper landed here than the best American wools. The American woolgrower, unaccustomed as he was to the low foreign prices, refused to sell on the London basis, and our manufacturers turned their backs on him and supplied themselves abroad. Free-trade members of the Committee on Ways and Means (who were in the majority at that time) told the domestic grower that wool prices would be higher under free trade than



before, and they were not prepared to take half price. They held their wool; many of them have it yet. The mills are closed, and the moths are eating it, because there is now no home market for it. Enormous quantities of foreign wool have been bought by the United States, and the effect on the London price was to put it up. It was then thought that the Dingley bill was going to pass; even people outside of the wool trade began to speculate in wool, and manufacturers also purchased in advance of their needs. Of course, the effect was shown in the slight rise in price, but many of those who bought their wools in that period of speculative excitement still have it for sale, and it is a question whether moths will destroy it before you can make a new Dingley bill for 1897.

Mr. DOLLIVER. It lies between the moths and the Senate, it seems.

Mr. JUSTICE. It is a race, with the moths at present a good ways ahead.

This diagram shows that the average price of the best bred Port Phillip wool in London, in ten years ending 1894, was 21.70 cents; American XX Ohio (which is not so valuable) for the same ten years averaged 31.22 cents. American wool was worth 9 cents more in Boston, New York, and Philadelphia than the best Port Phillip wool was in London. That was under a fair tariff. The price to-day of American XX Ohio wool, instead of being 31.22 cents, as it was for the ten years ending August, 1894, is worth 18 cents. (See Chart D.)

CHART D.

	Average price 1885 to 1894.	Under protection—American—higher than foreign.	Price April 1, 1896, as compared with average of ten years.	Price April 1, 1896.	Under free trade—American—lower than foreign.
American—Ohio XX washed, in Philadelphia and Boston.	31.22 cents.	9 cents.	42.34 per cent less.	19 cents.	6 cents.
Australian—Port Phillip unwashed superior, in London.	21.70 cents.	-----	10.59 per cent more.	24 cents.	-----
American in Philadelphia and Boston, Ohio XX washed.	Average price 1885 to 1894. Cent 31.22	Price, April 1 1896. Cents 18	In America 13.22 cents lower, or 42.34 per cent.		
Australian in London, Port Phillip unwashed superior.	Average price 1885 to 1894. Cent 21.70	Price April 1, 1896. Cents 24	If the London price had remained 21.70 cents, as it was under the McKinley period, the American decline would have been over 51 per cent.		
			10.59 per cent higher in London.		

Mr. TURNER. Where?

Mr. JUSTICE. In Boston, New York, or Philadelphia; 18 cents under free trade, instead of an average of over 31 cents under ten years of protection, but on the 1st of April, 1896, this Port Phillip wool (indicating) had advanced in London from 21.70 cents to 24 cents, so that while Ohio XX, washed, under ten years of protection was 9 cents higher in America than the best Port Phillip was in London, it was 6 cents lower in New York than Port Phillip was in London with free trade in wool in this country.

I repeat, that it may be impressed upon you, that instead of American XX Ohio being worth 31.22 cents, as it averaged during the ten years which ended with 1894, it had fallen on April 1, 1896, to 18 cents, and the best unwashed Port Phillip, which had averaged in London only 21.70 cents during the ten years ending 1894, on April 1, 1896, was worth 24 cents in London. So that, under protection XX Ohio wool (less valuable than the best Port Phillip) averaged 9 cents higher under protection in America than the better wool averaged in London; after eighteen months, or about that, of free trade, the position was reversed and the Ohio wool was worth 6 cents less under free trade in New York, Boston, and Philadelphia instead of 9 cents more, as it was under the McKinley law.

Mr. TURNER. Can you tell us the price of Australian wool fleece at this time?

Mr. JUSTICE. Yes, sir; 23 cents for Port Phillip superior greasy. It is now worth 2 cents less than in April, 1896.

Mr. TURNER. Where?

Mr. JUSTICE. In London and all over the world. The freight from London to New York is only one-fourth cent per pound.

Mr. TURNER. What would it be in Australia?

Mr. JUSTICE. The freights are about one-half or three-fourths of a cent by sailing vessels; it might not be over one-half to three-fourths of a cent without counting any insurance.

Mr. TURNER. You do not believe what Judge Lawrence tells us, that it is worth 9 cents?

Mr. JUSTICE. I prefer not to discuss what he said. He was not alluding, as I was, to the most valuable quality in Australia.

Mr. TURNER. Tell us what you think it would be—22 cents less the freight of one-half or three-fourths of a cent for whole fleece?

Mr. JUSTICE. Yes, sir; the difference in freight, not counting insurance, would be the only difference. This Port Phillip wool in London to-day is worth 22 instead of 24 cents, as on the 1st of April, and it would be safe to say that the difference in freight and insurance would be the only difference in price between London and Australia at the same time. There is quick communication by cable, and what takes place in London in the morning is known in Australia before business begins on the same day.

Mr. TURNER. If wool of that kind, whole fleece, is worth 9 cents in Melbourne, it would be worth 9 cents in Boston?

Mr. JUSTICE. Yes, sir.

## SKIRTED FLEECES.

The CHAIRMAN. What is the difference in value between the skirted and unskirted—in other words, how much does the simple skirting of that wool increase its value, measured in percentage?

Mr. JUSTICE. It increases it in this way: The skirts are stained wool. They are around the extremities known by various commercial names which it is not necessary to mention; and while they make as good goods as the other, they never can be made white, and other things being equal their use is limited to manufacturers who have to dye their goods dark colors. If you limit the number of buyers, you lessen the price. That is, the price becomes lower, because while men who use dark-colored wools would be just as will-

ing to have the skirts, men who use light colors are barred from using them. Further than that I can not answer the question, because I am not familiar with the value of the skirts alone. There are gentlemen in this room who know all about it, and I do not care to trespass on their ground. I shall take up enough time to tire your patience in discussing subjects with which I am acquainted; but I do not think the difference is much. Are there any gentlemen here who would volunteer the information?

Mr. MOSES. The skirts are not only stained and discolored, but are coarser. The increase in value of top wool is 5 per cent.

Mr. JUSTICE. I should also say that the manufacturer who would use the top of the fleece to make a fine quality of goods would have to resell the skirts when they were coarse. If he bought American wool, he would have to take into consideration the fact that he would have to resell the coarser skirts to somebody who used a coarser grade of wool.

The result of free wool has been that the decline below the average price for the ten years ending in 1894 was 42.34 per cent in American wool, and the advance in London during the same period was 10.59 per cent (see Chart D annexed), and if the London market for the Port Phillip had remained at 21.70 cents, as it was at the end of the McKinley period, and if it had not advanced over 10 per cent, Ohio XX wool, which fell from 31.22 cents prior to 1894 to 18 cents in 1896, would have fallen below 15 cents instead of only to 18 cents. The advance in the London market is all that kept it from going down below 15 cents, which was the London value of Ohio XX washed during the ten years ending with the McKinley period. In other words, Ohio XX washed would have been worth no more than 15 cents in Boston, if Port Phillip had remained at 21.70 in London, as it would if the removal of the McKinley wool duties had not made it an inducement for American manufacturers to discontinue the use of domestic wool and to use foreign in its place because the latter was the cheapest.

The CHAIRMAN. Ohio has a heavier shrinkage than the Port Phillip? Mr. JUSTICE. Yes; it is more desirable when skirted and scoured clean, because it is a stronger wool, but its commercial value in the condition when sold by the farmer is less than skirted Port Phillip, because of the skirts which the Ohio fleece contains.

I want to say one word here of the practice which has grown up among American farmers, which is a great disadvantage to the reputation of their fleeces, and which has given American wools a bad name in Europe and here. It is customary with them to tie the fleece up with six strings or sometimes with binding twine or small cord, with a big knot on each string. The manufacturer in determining the price of the wool has to make an allowance for the twine, which is of no value, but which he pays for at the wool price. Australian wool has little or no twine; but that is not the worst. The American woolgrower thinks he is entitled to wrap up inside of the fleece everything that is on the sheep when shorn. When the sheep is washed it takes a week or ten days for the fleece to dry before it can be clipped, and parts of the fleece become soiled and particles of dung adhere to the breech locks. The farmer sometimes rolls that dung up inside the fleece. When a buyer comes into a wool store to look at it, he cuts the strings on the fleece to see if there is any filth inside of it.

The practice of skirting wool avoids this and has grown in obedience to the demand of the manufacturers, not of the United States alone, but of the manufacturers of the world, and the practice is increasing and will in time be universal. The percentage of skirted wools in the world's supply is already so large that if a penalty were placed on skirted wools and a lower duty on wools not skirted, nearly all that is imported would come in at the lower duty. For instance, at a duty of 10 cents on unskirted and 12 cents on the skirted, all or nearly all would come in at 10 cents as unskirted. Appraisers at the custom-houses could not always tell which was which.

Mr. McMILLIN. Mr. Moses stated that skirting only amounts to 5 per cent; and yet by this proposed rate of duty, 10 and 12, you make a larger difference.

Mr. JUSTICE. I only state this difference to illustrate that such a law could not be administered. The man who was honest and fair, and who fairly entered his skirted wool as skirted, knowing it to be such, would be at a disadvantage with an unscrupulous competitor. A few people in the world, unfortunately, still exist in importing commercial circles who are willing to swear to false invoices.

Mr. Turner has asked about the number of sheep east of the Mississippi River, which question has a bearing on the mutton-sheep industry producing coarse wools. In 1870, 74 per cent of the sheep of the United States were located east of the Mississippi River and only 26 per cent were west of that river.

Previous to that time millions of buffaloes ranged over the plains and the savage Indian there held sway. When the Indians were being gradually placed on reservations, Uncle Sam, who is a great shepherd, had many pastures, one of which was called Illinois, another Michigan, and another Ohio, and other States represented his pasture fields. He had enterprising sons, some of whom, at the risk of losing their scalps, went into the wilderness to develop other and new pastures. That son from Michigan drove his flocks out from that old pasture on the prairie and found his way into what is now Wyoming or Montana, which to-day is our largest woolgrowing State. Some went from the other older States to other new sections. While Uncle Sam's flocks were rapidly increasing and multiplying as a whole, their location was shifting. Those from the old pastures east of the Mississippi were transferred to the new pastures west of the Missouri. It has been claimed by free traders that because the flocks had been moved from the old pastures east of the Mississippi that I have referred to to the new pastures that they had ceased to exist; that under protection sheep were decreasing, when, in point of fact, those flocks had not only been moved, but had increased at the rate of 25 per cent in four years. Those who advanced those views (and they were the favorite arguments of free-wool advocates) closed their eyes to the steady increase in the entire flocks under protection and pointed only to the old and empty pastures as conclusive evidence that protection did not protect. They were jubilant over a supposed important discovery. In point of fact, the United States, under adequate protection, were then increasing their flocks faster than any other nation in the world.

To-day only 33 per cent of our sheep are east of the Mississippi, and 67 per cent are west of the Mississippi. There is a cause for this. The Merino sheep can be herded in large flocks; 2,000 or more can be cared for by one man. The big mutton sheep of English blood can not be so well herded as the Merino; they straggle and become a prey to wild beasts. Their instincts and habits are entirely different. Therefore the only sheep that can thrive and multiply in large bands in the Territories is sheep of Merino blood, immediate or remote, such as can be driven over the range and bunched in herds of 2,000. That leaves the fenced pastures east of the Mississippi mostly free for the mutton sheep of English blood, or blooded sheep bred for pedigree to improve the prairie flocks.

## LOCATION OF SHEEP IN THE UNITED STATES, 1870 AND 1895.

[From official reports of United States Census.]

West of the Mississippi River.	East of the Mississippi River.
7,418,000 sheep.	21,030,000 sheep.
25 per cent.	74 per cent.
28,478,000 sheep.	
100,102,367 pounds wool.	

[From estimates of National Association of Woolen Manufacturers.]

West.	East.
94,273,181 sheep.	12,191,274 sheep.
67 per cent.	33 per cent.
1896	
36,464,405 sheep.	
272,474,708 pounds wool.	

## CARPET WOOLS USED FOR CLOTHING.

Owing to the improvement in machinery, carpet wools are now being so largely used for clothing purposes that I make the statement, without fear of contradiction, that some of such carpet wools as were imported under the McKinley period, supposed to cost then over 13 cents, to-day do not cost over 10 or 11 cents. I allude to wools that would average 13 or 14 cents, such as Bagdad. When Judge Lawrence said the price of third-class wool was below 10 cents, he should have said the "average price" was under 10 cents. You can see how the average could be under 10 cents if the bulk of it was worth 7 or 8 cents, and a minority of it 13 or 14 cents. But wools that cost over 10 cents also enter into the manufacture of the finer carpets, such as Wilton and Brussels. They are the only kinds at this time so used.

The CHAIRMAN. How much ingrain carpet is made of combed wools? We are speaking now of the range of so-called carpet wools from 10 to 15 cents.

Mr. JUSTICE. The name carpet wool ought to be abandoned. The third-class wools, which we are in the habit of naming carpet wools, costing over 10 cents, are very largely used for clothing purposes, and the name carpet wool for them is a misnomer. Their use for clothing purposes is increasing, and they will be still more largely used for clothing purposes in the future than in the past; therefore I will quote from the best-informed importer of these third-class or carpet wools that I know—a man who disapproves of the duty on third-class wool. He tells me that the dividing line made in the classifications and descriptions in the McKinley law between the so-called carpet wools used for clothing purposes and those used exclusively for carpets and low blankets could not have been more scientifically made. That classification made third-class wool into two distinct classes. He did not know whether the convention of growers that classified these wools arrived at it by accident or by a really scientific knowledge of what was required, but the result was successful. To use his expression, "the wools of to-day coming in Europe and Asia 10 cents and under must come to America (which country makes more carpets than all of the balance of the world combined)." There is no other market for all of them. If the McKinley dividing line was lowered from 13 cents to even 9 cents, the price on the other side would fall until the real carpet wools could be sold under the lowest carpet duty admitting them to the American market. In other words, if the duty was so adjusted that they would have to come in at a valuation of not over 9 cents, it would only be a question of a short time—possibly one year—before the foreign owner would have to take 9 cents from his American buyer. This is a case where the foreign shipper must pay the duty as the price of the American market.

But to go back to the subject of the location of our sheep. The decrease of the sheep in the sections east of the Mississippi River was because the large-carcase sheep (the mutton sheep), which produce coarse wool, can not be raised on a free-trade basis at a price that will enable them to be raised for wool at the present price and mutton at the present price. Cheap imported carpet wools, costing 10 cents, make that unprofitable. That is why those flocks have been so rapidly decreasing in Uncle Sam's pastures east of the Mississippi. The question of adequate protection for mutton sheep is involved in the carpet wool or third-class wool costing over 10 cents, and in my judgment that is a matter that needs the careful consideration of your committee. The mutton-sheep industry has been destroyed in the sections east of the Mississippi more rapidly than in any other, and needs your care.

The reason why the McKinley dividing line on carpet wools may be reduced from 13 to 10 cents is because wools of the third class, costing over 13 cents in 1890, to-day will average nearly 3 cents a pound less than they did when the McKinley law passed. These finer carpet wools have been from 1 to 24 cents below present prices. (See right-hand column of table "Lowest and highest wool prices compared," from circular of Messrs. J. L. Bowes & Bro.) The dividing line to-day of 10 cents would be fair to all interests.

The CHAIRMAN. That is, you advocate changing the dividing line of carpet wools from the limit under the act of 1890 from 13 to 10 cents, and you do it on the ground that there has been a decline in the price of carpet wools nearly to that extent?

Mr. JUSTICE. Yes, sir, I do. There is ample proof to back up the statement in the following quotations from the Liverpool circulars of Messrs. J. L. Bowes & Bro., of October, 1890, and of January, 1897:

Decline of 2.35 cents per pound from October, 1890, to January, 1897, on the forty-nine qualities of carpet wool, all of which were worth over 13 cents in October, 1890.

[From the Liverpool circular of Messrs. J. L. Bowes & Bro., first-class authority on third-class wools.]

[Grades marked C. and C. are used both for clothing and carpet purposes. Grades marked K are used almost entirely for clothing purposes. Grades not marked are used mostly for carpets.]

	Liverpool, January, 1897, per pound.	Liverpool, October, 1890, per pound.	Decline per pound since 1890.
East India Candahar:	Pence.	Pence.	Cents.
Best soft white, C. and C.	8	9 1/2	3 1/2
Soft white, C. and C.	7 1/2	8 1/2	2
Pale yellow	7 1/2	8 1/2	2 1/2
East India Viceroy:			
First white, C. and C.	9	11 1/2	5
First yellow	8 1/2	10 1/2	3 1/2
Second yellow	7 1/2	8 1/2	2 1/2
East India Joris:			
First white, C. and C.	10 1/2	11 1/2	2
First yellow, C. and C.	9	9 1/2	2 1/2
First colored	7	7 1/2	1
East India Pac Pathan:			
White	6 1/2 to 7 1/2	8	1 1/2
Yellow	5 1/2 to 7 1/2	6 1/2 to 8 1/2	2 1/2
East India Pathan, white	5 1/2 to 6 1/2	6 1/2 to 7 1/2	1 1/2
East India Viceroy and Joris, coarse, white	5 1/2 to 6 1/2	7 1/2	3
Bagdad, white, washed, superior, K.	7 1/2	8 1/2	2 1/2
Bagdad, white, washed, average, K.	6 1/2	7 1/2	2
Bagdad, black and brown, washed, superior, K.	6 1/2	7 1/2	1 1/2
Bagdad, black and brown, washed, average, K.	6	6 1/2	1 1/2
Bagdad, fawn, washed, superior, K.	6 1/2	7 1/2	2
Bagdad, fawn, washed, average, K.	6	6 1/2	1 1/2
China, white, washed, average, C. and C.	6 1/2	7 1/2	2

Decline of 2.35 cents per pound from October, 1890, to January, 1897—Continued.

	Liverpool, January, 1897, per pound.	Liverpool, October, 1890, per pound.	Decline per pound since 1890.
Egyptian:	Pence.	Pence.	Cents.
Washed white extra, K.	10 1/2	11 1/2	1 1/2
Washed white first, K.	9 1/2	10 1/2	1 1/2
Washed white second	8 1/2	9 1/2	1 1/2
Washed yellow extra, K.	10 1/2	10 1/2	1
Washed yellow average	7 1/2	8 1/2	2
Donskol:			
Washed white combing Taganrog	7 1/2	8 1/2	2 1/2
Washed white carding Taganrog	7 1/2	7 1/2	1 1/2
Washed white carding Moscow	7 1/2	7 1/2	1
Kassapatchia (Turkey skin) unwashed:			
First white, C. and C.	7 1/2	8 1/2	2 1/2
Second white, C. and C.	6 1/2	7 1/2	1
First colored	6 1/2	6 1/2	1
Oporto:			
Washed white fleeces, C. and C.	7 1/2	9 1/2	4 1/2
Washed yellow fleeces, C. and C.	5 1/2	6 1/2	2
Washed black fleeces, C. and C.	6	7	2
Castle Branco:			
Washed white fleeces, K.	10 1/2	12	3 1/2
Washed yellow fleeces, K.	8 1/2	10 1/2	4 1/2
Washed lambs, K.	7 1/2	9 1/2	4
Washed white superior	9 1/2	10 1/2	2 1/2
Washed white average	8 1/2	9 1/2	2 1/2
Washed white ordinary	7 1/2	8 1/2	1 1/2
Scotch Highland fleeces, white, washed	6 1/2	7 1/2	1 1/2
Scotch:			
Choicest Haslock, white combing, washed	8	9 1/2	3 1/2
Choicest Haslock, white carding, washed	7 1/2	9 1/2	3 1/2
Average Bonnet, washed	7	9	4
Average light gray, washed	6 1/2	8 1/2	4
Average dark gray, washed	5 1/2	7 1/2	3 1/2
Georgian second clip A lambs	5 1/2	7 1/2	3 1/2
Khorassan:			
First clip B washed white fleeces	6 1/2	7 1/2	2
Second clip B washed white	6 1/2	7 1/2	2 1/2

a Higher.

Average decline in price since 1890, 2.35 cents.

The CHAIRMAN. And those wools, you say, valued above 10 cents, which are now valued at about 13 or 14 cents, are used largely for clothing purposes and not for carpets?

Mr. JUSTICE. I believe the finest of them, such as Bagdad wools, enter into some form of clothing or blankets, and a minority, only a very decided minority, enter into the construction of carpets; but, as I have said before, the manufacturers of the higher grades of carpets, such as wiltons, etc., can use nothing inferior. Their wools may all cost over 10 cents.

The CHAIRMAN. How about carpet wools valued at less than 10 cents? Is there any portion of it of any material amount that could be used for clothing purposes?

Mr. JUSTICE. I do not think they are available to any important extent for any purpose except ingrain carpets or low-grade blankets. An exceedingly cheap garment may be made to sell, but not to wear; but without some better wool to hold it together it would not be serviceable. The hair in a cow's tail is more like the wools now costing very considerably under 10 cents. I have in mind some Kalmuck wool which I once handled. It was much like the tuft at the end of a cow's tail. There is nothing in any portion of an American fleece that is so coarse as that. Hip locks and tags, and such portions as Judge Lawrence has described, which were formerly used in carpets and largely so used, are too good for anything to-day but the higher grades of carpets, and with this exception they enter now into clothing more largely than into carpets.

Mr. DOLLIVER. The law of 1890 sought to depart from the specific rate on this third-class wool, and substituted the ad valorem rate.

Mr. JUSTICE. Would you like to know why that was done?

Mr. DOLLIVER. Yes.

Mr. JUSTICE. The convention of woolgrowers and carpet manufacturers that framed the McKinley law consisted of experts. They agreed unanimously (with the exception of Judge Lawrence) to a specific schedule on all wools, which Major McKinley agreed to accept on condition that this commission should agree to it unanimously. I think before it went to the Senate the carpet manufacturers, after having agreed to specific rates, objected to this agreement, and the convention was reassembled to adjust that one feature, and as a matter of compromise the woolgrowers decided to agree to the change from specific to ad valorem rates on third-class wools only, in order that that bill could go through, for without that unanimous agreement, Schedule K, so excellent in other respects, would have failed. It was a matter of necessary compromise. Therefore, on wools costing 13 cents and under a duty of 38 per cent was agreed upon, and 91 per cent was imposed on wools above that. If you take the altered conditions of to-day and make the duties specific, I claim that 21, or 3, or 4 cents, or whatever you collect from carpet wools which cost less than 9 or 10 cents, will be purely a revenue duty, and it does not affect the question of protection in any way. We do not now and probably never will produce cow-tail wool. It becomes, therefore, only a question of revenue. The American woolgrower would not be injured in the least on wools of the third class only, costing under 9 cents, if there was no duty at all. This proposition for free wool does not apply to wool of the first class, much of which sells at 8 cents.

The CHAIRMAN. Why do you say that the carpet wools costing less than 9 or 10 cents are not likely to be grown in the United States?

Mr. JUSTICE. It would not be profitable to raise them here. They are raised in barbaric countries by nomads who live in tents; Asiatic tribes principally. Some in China. They know nothing of the theory of improving the wool by breeding sheep, and anything they can get for their rough wool they are glad to take. As I said before, if you will make the dividing line 9 cents instead of 13 cents, as under the McKinley law, these cow-tail wools will accumulate abroad until the very weight of their accumulation will break the price to 9 or 10 cents, when they will come to the United States subject to the rates imposed by the new law.

Mr. McMILLIN. You speak of a convention that considered Schedule K of the law of 1890. Who constituted that convention?

Mr. JUSTICE. That convention was composed of the most representative woolgrowers and manufacturers that could be named—the most representative in the United States.

Mr. McMILLIN. You say that Mr. McKinley agreed that if they would agree



unanimously among themselves that he would put into his bill the schedule they made?

Mr. JUSTICE. Yes, sir. It was made by experts who knew their business—the woolgrower who wanted of the manufacturer a high price for his wool and the manufacturer who wanted to buy that wool cheap. They sank their greed and framed Schedule K. If all laws were so framed, we would have a permanent tariff. Under its practice I wish to say both woolgrowers and manufacturers were prosperous and contented. The evidence of it is that the manufacturers used up the entire clip of American wool and also increased their imports of wool, and the cost of woollens to the consumer was lower than ever before.

Mr. McMILLIN. It would be strange if they would not prosper, if they framed their own schedule.

Mr. JUSTICE. While they were all prospering and increasing the use of wool, and making a better market for wool, as I said before, the cost of clothing was decreasing to the consumer. I contend that Schedule K of McKinley law was wisely drawn, was a good schedule; it oppressed nobody, and the fact that the American flocks increased enormously under it disproves the statement which my esteemed friend, Judge Lawrence, made, that it was not protective. The woolen manufacturers did not make excessive profits. The duties that were imposed by the McKinley law (which I will treat of when I come to compensatory duties) were so skillfully adjusted that manufacturers prospered under them. But when the compensatory duty fell with the removal of the duty on wool—the only specific duty of the McKinley law—and they were thus left with nothing but ad valorem duties of 50 per cent (only one-half or one-third of which could be collected and which was expected to protect American wages, which are over 100 per cent higher than in Europe), is it any wonder half the mills are closed?

Subsequent experience with the Wilson law shows the wisdom and the scientific arrangement of Schedule K of the McKinley law, because when the specific portion of it was removed American manufacturers were quickly flat on their backs. Their mills soon closed, and the American grower lost the only good market for his wool that he had ever had.

Mr. McMILLIN. As a matter of fact, the manufacturer got the benefit of a portion of the specific rate that was imposed for the alleged benefit of the woolgrower?

Mr. JUSTICE. He did, although he did not know it at the time; and I will make that plain when I come to the question of compensatory duties.

Mr. McMILLIN. Before we depart from that, or at whatever time suits your convenience, will you kindly give the committee the rate of the two kinds of wool that you have contrasted—the Ohio fleece and the Port Phillip wool? If you can, give it for 1870, 1875, 1880, 1885, 1890, and 1895, or 1896—the last complete year, I believe, is 1896.

Mr. JUSTICE. It will appear in what I submit in a number of different shapes.

Mr. McMILLIN. Very well.

Mr. JUSTICE. You will find that no matter how we try this, it always comes out the same way, viz, that the London price as near as may be for a series of years averaged less than half the American price, or, since the question of high percentages must be met, the American price was over 100 per cent higher through a period of years than the London price.

A VOICE. Until lately.

Mr. JUSTICE. Until the repeal of the McKinley law was discounted. Now, to recur to the diagram which showed the increase in the world's supply. I have a table which I will submit which gives the lowest price in the London market in the last ten years compared with to-day's price.

Lowest and highest wool prices compared.

Class.	London extremes during ten years prior to 1896. Highest (in cents).	London price Jan. 1, 1897 (in cents).	London difference between highest extremes and Jan. 1, 1897. (Cents lower.)	London extremes during ten years prior to 1896. Lowest (in cents).	London price Jan. 1, 1897 (in cents).	London difference between lowest extremes and Jan. 1, 1897. (Cents higher.)
<b>Class 1.—Clothing. Duty, 11 cents.</b>						
Port Phillip, unwashed, superior.....	30.00	22.00	8.00	17.00	22.00	5.00
New Zealand, unwashed, good.....	30.00	17.00	9.00	15.00	17.00	2.00
Buenos Ayres, unwashed, average.....	16.50	9.75	6.75	8.25	9.75	1.50
Peruvian, washed, average.....	30.00	15.00	5.00	13.50	15.00	1.50
Lima, unwashed, average.....	17.00	11.00	6.00	9.00	11.00	2.00
Abadia, unwashed, average.....	14.50	11.00	8.50	10.00	11.00	1.00
<b>Class 2.—Combing. Duty, 19 cents.</b>						
Lincoln, hog fleeces.....	20.50	22.00	7.80	17.50	22.00	4.50
Lincoln, wether fleeces.....	25.50	30.00	5.50	16.50	30.00	8.50
Kent, wether fleeces.....	25.00	19.50	5.50	18.50	19.50	1.00
Sussex Down fleeces.....	19.00	30.50	8.50	19.00	30.50	1.50
Alpaca, lalay fleeces, good average.....	22.00	30.00	22.00	22.00	30.00	8.00
Alpaca, Callao fleeces, average.....	38.00	19.00	19.00	15.00	16.00	4.00
<b>Class 3.—Carpet and blanket. Duty, over 15 cents, 50 per cent; under 15 cents, 25 per cent.</b>						
<b>East India:</b>						
First Joria, white.....	25.50	20.50	5.00	18.00	20.50	2.50
First Candahar, white.....	21.00	15.50	5.50	14.50	15.50	1.00
Pac Pathan, yellow.....	16.50	13.50	3.00	12.50	13.50	1.00
Ordinary, yellow.....	15.00	9.00	6.00	8.50	9.00	.50
Oporto, washed fleeces.....	30.50	14.50	6.00	13.50	14.50	1.00
Egyptian, washed, first white.....	23.00	18.50	4.50	17.00	18.50	1.50
Donkoi, washed, carding.....	17.00	14.50	2.50	13.00	14.50	1.50
Scotch, highland, undipped.....	14.00	11.50	2.50	10.50	11.50	1.00
Ferrian, uncleaned, white.....	11.50	8.25	3.25	7.00	8.25	1.25

It shows that the lowest price in the London market (for Port Phillip wool) was 5 cents a pound lower than the price in London to-day. It advanced 5 cents per pound in London inside of the first calendar year of free wool, and if you take this scoured wool (the same wool cleaned), this latter has advanced 20 per cent in London from the lowest point since the repeal of the McKinley law. The lowest point was reached in London, as I have just said, about the time the free-wool law was passed. We almost immediately began to permit foreigners to unload upon us their accumulation of years, and prices soon advanced from their lowest price on record, 5 cents per pound on the best grade of Australian grease wool.

Mr. DOLLIVER. Why do not our people send our wool over there?

Mr. JUSTICE. Americans have tried it at Bradford, England; Leipzig, Antwerp, on the Continent, and in London. American wools that averaged 5¢ to 10 cents in America, to American manufacturers, sold at the same time over there at 4 pence, or 8 cents of American money, and I have an extract here from a Bradford newspaper on the subject which I will submit with my tables and diagrams.

Mr. DOLLIVER. You mean after it was scoured?

Mr. JUSTICE. No. I mean in the grease, as the farmer sold it. In this shape (indicating) it brings here in America from 8¢ to 10 cents, and averages about 9 cents. Under the McKinley law it ranged from 17 to 21 cents. That class of wool in Leipzig, Bradford, Antwerp, and London, sells now at 4 pence, and it is hard work to sell it at that price. So you will all see after a trial of foreign markets that the American market is the only market of any value to him that the American woolgrower has, and when that is closed to him, as it is to-day—

Mr. DOLLIVER. You say 4 cents; don't you mean 4 pence?

Mr. JUSTICE. I mean 4 pence, English money, equal to 8 cents American money.

You will find in my printed papers herewith some exceedingly interesting criticisms from European papers on the American wools which have been sent there for sale, notably that from the Yorkshire Factory Times. They want to sell wool to us, and don't mean that we shall invade their market.

The Yorkshire Factory Times, under date of July 24, contains the following:

#### "AMERICAN WOOL ON THE ENGLISH MARKET.

"The Yankee, ever on the lookout for anything that benefits himself, has a weakness for screeching out when in fair fight he is beaten. It appears that Mr. Claude Meeker, the American consul, has reported to his Government that the stuff which the Yankee calls American wool is not meeting with that due appreciation which Brother Jonathan fondly imagined it would. Of course, it is not the material which is at fault; it is the stupid English wool sorter who does not know how to handle it. The fact that the stuff can scarcely be called hair, and yet may not be designated wool, and is thus not at all suitable for the purposes of the Bradford trade, is a secondary consideration. What the Yankee is annoyed at is that, notwithstanding the manufacturer in America does not see his way to pay the price asked for by growers, the English buyer is no less cute. There has been, we are told, several hundred thousand pounds of American wool upon the English market, which was sent back to the land of the Stars and Stripes because the prices asked could not be realized."

Mr. TURNER. Why is this Ohio wool, to which you refer us, put up in such dirty shape? Is it a necessity of the situation there?

Mr. JUSTICE. Not at all; it is the result of a slovenly practice here. I am glad to say that some growers put their wool up right and well, but they are not the majority of them. The American manufacturer wants American wool. There is a gentleman in this room that buys a certain quality of so-called XXX, which is now scarce. It is the best wool in the world for his purpose, and the wool dealers save it a fleece at a time until they accumulate a quantity large enough to ship. It is the kind raised by Hon. John McDowell, of western Pennsylvania, and Mr. Clark. The latter has just addressed you. Millions of pounds of it was sold under the tariff laws of 1867 and 1883. We call it "picklock" wool; it grows on sheep of the Saxony breed. The home of such wool was in the valley that is drained by the Ohio River. That is to say, West Virginia, western Pennsylvania, and southern Ohio, the homes of these gentlemen.

#### SHODDY, ETC.

The subject of shoddy comes next in order. During the McKinley period the annual import of shoddy, mungo, waste, rags, and such wool adulterants, averaged annually less than a quarter of a million pounds. The Wilson law went into operation on raw material in August, 1894, and although shoddy, waste, etc., were classified as "manufactures of wool," and these schedules could not legally go into operation until the following January, the Secretary of the Treasury arbitrarily ruled that the McKinley prohibitive duty on shoddy, rags, waste, etc., should cease with the duty on raw wool.

During the first four months of the Wilson law and between September 1, 1894, and the 31st of December over 4,000,000 pounds of these wool adulterants were imported. This 4,000,000 pounds of shoddy and waste took the place of three times that amount of American wool. Shoddy is made of rags and other adulterants, which once having been cleaned, does not require re-scouring. It is put through machinery which dusts it and partially cleans it. It is then practically clean wool. A pound of rags is almost equivalent to a pound of some kinds of scoured wool.

In the first full calendar year of the Wilson-Gorman law we imported 20,718,110 pounds of shoddy, rags, waste, etc., an increase of 8,235 per cent over the average of the McKinley period. This 20,000,000 pounds or more of shoddy would be equal to 60,000,000 pounds of unwashed Montana or Texas wool. It would take the sheep in the State of Montana (which is now our largest wool-growing State) three years to produce enough fleece to make the quantity of clean-scoured wool displaced by this 20,000,000 pounds of shoddy and waste which came in during the first calendar year after the Wilson law was passed.

It was stated by the statesmen who advocated the repeal of the McKinley law that free wool would mean such cheap wool that there would be a decreased use of shoddy. Have these predictions been fulfilled? Previous to the repeal of the McKinley law there was very little shoddy imported. The shoddy then used in America was made from American rags, and there were less than 250,000 pounds of shoddy, etc., imported in an average year. The Wilson-Gorman law went into effect four months before the close of 1894, and during the last four months of that year the imports of shoddy had increased to over 4,000,000 pounds, and during the first full year of the present law over 20,500,000 pounds of shoddy, waste, rags, and other such wool adulterants were imported.

The increase over the whole McKinley period was over 20,000,000 pounds, an increase of over 8,235 per cent, and instead of using less shoddy American manufacturers are now using more than ever before. And why? Because of the loss of the home market for woollen textiles, our manufacturers were compelled to lower their prices for their woollen product, and in no other way could they do this except by the use of shoddy; and although the price of pure scoured wool had fallen nearly one-half, or from 65 cents to 35 cents, the foreign competition was so keen that nothing but a tremendous use of shoddy would enable them to run their mills at all; and, notwithstanding this enforced adulteration of their goods by the use of shoddy, they

still lost the best portion of their home market, as shown in Schedule B. Some idea of the proportion of the imports of shoddy in 1895 compared with the McKinley period will be seen by examining the parallel black lines in Schedule C:

Imports of manufactures of wool in shoddy, waste, rags, etc.

	Pounds.	
1891	215,714	
1892	321,586	
1893	229,853	
1894	142,040	
1895	4,028,901	
	30,718,110	
		Average, 247,063 pounds. McKinley law.
		8 months McKinley law.
		4 months Wilson-Gorman law.
		Wilson-Gorman law.
		Increase in shoddy, etc., imports in 1895 over average of 3½ years of McKinley law, 20,470,447 pounds, or 8,206 per cent.

The CHAIRMAN. How do you explain the increase in shoddy after wool was on the free list? The old theory was that shoddy would be imported when wool could not be so easily imported. But it seems that with free wool there was a large increase in the use of shoddy.

Mr. JUSTICE. It is very simple. The duty on shoddy was about the only one that was prohibitive in Schedule K. Under the McKinley period the high duty kept it out, and then only about 247,000 pounds annually came in, and we used no other shoddy in America except such shoddy as was made from American rags—cleaner rags than any imported rags. There never was a period in the history of this country, or history of any manufacturing country, when such a large proportion of pure wool was used in America as during the McKinley period.

Mr. TURNER. I understand that there is a factory in Cleveland using shoddy that ran every day under the operation of the McKinley Act, and that this same factory under the Wilson bill has not run more than one day a week.

Mr. JUSTICE. I know nothing at all about that factory.

I wish you [addressing Mr. Turner] to pay particular attention to this matter, because I was before the Ways and Means Committee when you assisted in framing the Wilson law, which has so greatly stimulated the use of shoddy. I want to repeat the statement that there never was a woolen manufacturing nation in the world that used so little shoddy as the American nation during the McKinley period. And the proof of it is in the fact that we used then only a quarter of a million pounds of imported rags, shoddy, waste, and such adulterants, as against over 20,000,000 pounds in the first full calendar year of the Wilson law.

Mr. McMILLIN. Do you mean imported shoddy?

Mr. JUSTICE. This 20,000,000 pounds was all imported.

Mr. GROSVENOR. I would like to add that it is within my knowledge that the owners of the Cleveland mill referred to are very anxious that there shall be no tariff put upon shoddy at this time. This reached me to-day officially.

Mr. JUSTICE. The chairman asked me about this enormous increase in shoddy. Under the McKinley law a woolen-mill hand had steady employment and earned \$10 a week, and could buy an all-wool suit containing no shoddy for \$10, with the proceeds of one week's labor. Owing to the closing of the mills (the result of the Wilson law), which did not average half time in 1895, notwithstanding the advantage of free wool, he earned only \$5 a week. The fixed charges for fuel and provisions for his table and rent, which go on nights and Sundays, absorbed all of the \$5 which he has earned, and he has had no money left with which to buy clothing, not even shoddy clothing. And men who made ten-dollar all-wool suits out of 55-cent scoured wool, under protection, could not sell them even with 30-cent scoured free wool.

Shoddy goods came in from abroad as never before, and five-dollar shoddy suits made of cheap imported goods were in the stores. Our manufacturers had to make five-dollar suits to compete. They could not make them out of pure wool, even cheap free wool; they had to use shoddy, and the result was that there was a good, brisk, keen market for foreign shoddy and a narrowed market for pure wool. Free wool, which was to "widen our market," narrowed our market so that half of the mills closed, and many of those which did run used shoddy where under the McKinley law they used only pure wool.

Mr. McMILLIN. Have the sales of the better grades of wool or the price increased or decreased under the operation of the Wilson bill?

Mr. JUSTICE. This diagram shows the decrease in price [indicating]. As to sales, I deal mainly in domestic wool. My sales of American wool for the first year of the Wilson law were reduced one-third, and my sales for the second year of free wool were reduced one-half below the average of the McKinley period. The McKinley law made it an inducement for our manufacturers to use domestic wool. The Wilson law gave our home market to the foreign woolgrower.

Mr. McMILLIN. What I am asking is the effect upon the value or price of goods—woolen goods—whether such goods diminished or increased in price by the operation of the Wilson bill.

Mr. JUSTICE. Of course they decreased in price to the extent of 25 cents per pound on the scoured wool, and they were also further lowered in price by a greater use of shoddy. They were thus nominally cheapened by the use of shoddy, but in reality they were dearer to the wearer in so far as they relate to shoddy.

Mr. McMILLIN. To what extent?

Mr. JUSTICE. Such a suit as I have on contains about 3 pounds of pure scoured wool—no shoddy. It is impossible to use shoddy in worsted yarn. The difference in the cost of such a suit is about 75 cents below the McKinley price. That is the difference made between the use of 30-cent free wool scoured and 55-cent protected scoured wool.

Mr. DOLLIVER. Do you mean the price of the cloth at the factory or the price of the suit of clothes to the purchaser?

Mr. JUSTICE. This is a cheviot suit made of coarse combed or worsted wool. It is coarser than this merino sample [illustrating]. It is about such wool as grows on Shropshire sheep. Around the Mediterranean there are carpet wools from which wool has been imported to make cheviot suits. You know that on the ribs of the sheep there is found a finer fiber of wool than on other parts of the carcass. Measured under a microscope the diameter of the fiber would be less than the diameter of fibers of wool grown on the hips or back or neck or on other parts. The law of 1893 was most loosely constructed with regard to Schedule K. Its faults were admirably corrected by the joint convention that arranged the wording and classifications and divisions of Schedule K of the McKinley law. Under the law of 1893 third-class or Mediterranean carpet wools were sorted in Europe and the finer portion of the fleeces, such as sorts from the ribs, were brought in and it entered into the manufacture of knitting yarns and of chevots. So you can thus see how carpet wools can make less difference in the cost of clothing than where only merino wool is used. The difference is 75 cents between the McKinley price and the present price in the cost of the clothing I have on, the duplicate of

which in wear and appearance may be made of such so-called third-class wool or carpet wool as I speak of—that is, of the finer sorts off of the ribs of some Mediterranean fleeces classified as third-class or carpet wool.

Mr. McMILLIN. Seventy-five cents in the cost of cloth?

Mr. JUSTICE. In the wool now in the cloth of this suit.

Mr. McMILLIN. For the entire suit?

Mr. JUSTICE. Yes; the entire suit, exclusive of trimmings.

Mr. McMILLIN. Then the reduction under the Wilson bill has only been 75 cents for such a suit?

Mr. JUSTICE. Yes; that is all in such goods as I now wear. They are not heavy goods, but are such as a workingman would wear.

Mr. McMILLIN. Then that law has not been so destructive to clothing manufacturers as has been made out?

Mr. JUSTICE. The removal of the wool duty decreased the price 75 cents on the wool contained in such a suit.

Mr. DOLLIVER. Has that found any expression in the retail prices of the clothing a man buys?

Mr. JUSTICE. Yes; of course. There is a difference, as I have already pointed out, of 93 cents per capita. Free wool saved the nation 93 cents per capita, but it lost the nation over \$400,000,000 in purchasing power, as I have shown before. In this particular goods it is 75 cents, or 18 cents less than 93 cents, the per capita rate, because this is made of coarse wool. The per capita saving of 93 cents is for wool of all kinds, coarse and fine. There is none of this fine or merino wool [indicating] in this suit of clothes.

Mr. McMILLIN. My inquiry was as to the difference in price of the finished product, and that was your answer, I suppose?

Mr. JUSTICE. I thought some question of this kind might come up, and so I had the cloth in this suit weighed by the tailor before he made it up. It weighed 3 pounds and a few ounces. It is not the heaviest goods. It is suitable for this weather and is the kind made up and sold to men in moderate circumstances—not fine goods.

Mr. McMILLIN. And your answer had reference to the finished article?

Mr. JUSTICE. To the difference between the price of McKinley wool and the Wilson-Gorman or free wool in this cloth. It is only the difference between protection and free trade on the raw material.

Mr. McMILLIN. What I was getting at was the difference in value of the goods to the consumer of such a suit as you have on under the McKinley bill and under the Wilson bill.

Mr. JUSTICE. The difference in favor of the consumer in such a suit as this is about 75 cents. That is less than the average annual per capita saving to the consumer, which figures, viz, 93 cents, I have previously given to the committee.

Mr. DOLLIVER. Do the tailors give you the benefit of that difference?

Mr. JUSTICE. No. This suit, when made by a wholesale clothing manufacturer, retails at \$10. I understand from the manufacturer who made the cloth that the clothier sells suits of this cloth at wholesale at \$7.50.

There has of late been lack of profit to the manufacturer, a lack of profit to the middleman, and, in fact, nobody has made any money out of it. The merchant tailor that made this particular suit got \$20 for making and trimming it for me. I furnished the cloth, which was given to me by the manufacturer, but wholesale manufacturers sell suits made of this cloth for \$7.50, so I am told.

Mr. TURNER. If the gentleman will allow an interruption, I would like to know if the class of goods which you are wearing is not purchasable at about one-half what it was before the Wilson bill went into effect?

Mr. JUSTICE. No, sir; other things being equal, 75 cents would make the only difference in the cost before and the cost now, by reason of the difference in free or protected wool. If there is any other difference in the present cost it is made by a lessening of the profit or by actual loss to the manufacturer and of the cost of the labor element which enters into the construction of such goods. I know nothing about any other details in the cost of this suit except the difference between the McKinley cost and the Wilson-Gorman cost of the raw wool in it.

Mr. TURNER. You do not make any estimate of the effect of compensatory duties?

Mr. JUSTICE. I know nothing about that element in this case. I have figured up the difference between the protected and free-trade prices of the wool in it.

Mr. TURNER (continuing). I mean the compensatory duty put on for the manufacturer's benefit.

#### COMPENSATORY DUTIES.

The difficulty in placing high rates of duty upon wool comes from the objection which legislators have to the necessary corresponding increase in the compensatory duties upon finished cloth. It takes 4 pounds of wool of the first class (merino wool, shrinkage 60 per cent) to make 1 pound of finished cloth. Every increase of 1 cent per pound in the duty upon unwashed wool of the first class involves an increase of 4 cents per pound in the duty upon finished cloth, without which the mills would be closed and the wool market destroyed. Owing to this necessary provision, manufacturers are barred from the importation of wools shrinking over 60 per cent. (See diagram on page 746.)

Mr. JUSTICE. I am approaching that subject now, which will about conclude my remarks. In alluding to this suit of clothes something which I wish to explain is suggested. This cloth was made by a firm that were American manufacturers, under the law of 1867, and they discovered when that law was succeeded by the tariff of 1893 that they could import "worsted" at a lower duty than was paid on the cheapest shoddy goods. They went over to Bradford, England, and sent over a shipment of superfine goods, which was entered at the custom-house as "worsted." The appraisers classified them at first as woolen cloths. These goods were taken around to the wholesale dealers, and the unanimous opinion among the trade was that they were commercially known as "worsted." They took them out as worsteds, but paid the cloth duties under protest. The courts afterwards decided that, as the commercial name was "worsted," the framers of the tariff bill had meant that this class of all-pure wool cloth should come in as worsteds, which proved to be at a less duty than common shoddy goods. (It is impossible to put any shoddy in worsted yarn.) Finding their case strong and safe, they employed mills in Bradford, England, to produce worsteds, and sent their product to their Philadelphia selling house. When the McKinley law passed, the senior partner of the firm came to Washington to protest against higher duties. He had a suit of clothes with him by which he undertook to show how the price would be increased to the consumer if the McKinley bill passed. After the law of 1890 went into operation he found that he could not sell a single yard of his English cloth under the McKinley law. He was shut out of the American market. These goods could then be made here in America alone. He was compelled to move his machinery to America. He located about 16 miles from Philadelphia, where he established his American factory. As soon as he could get his mill in operation under the McKinley law, he issued a circular to his old customers stating that he would sell the same goods here, made of the same quality of wool, and at no higher price than that at which he sold them before in England under the lower duty of 1893.

Who pays the duty in such a case? This firm, having run their mill under



Table showing quantity of merino wool of various qualities required to make 1 pound of finished cloth.

[Based upon commercial experience with importations of raw wool.]

Merino wools.	5 per cent shrinkage.	10 per cent shrinkage.	15 per cent shrinkage.	20 per cent shrinkage.	25 per cent shrinkage.	30 per cent shrinkage.	35 per cent shrinkage.	40 per cent shrinkage.	45 per cent shrinkage.	50 per cent shrinkage.	55 per cent shrinkage.	60 per cent shrinkage.	65 per cent shrinkage.	70 per cent shrinkage.	Com- pensatory duty, law 1890.	Amount of duty actu- ally paid upon the quantities of im- ported wool simi- lar to qual- ities named required to make 1 pound of cloth.	Loss to American manu- facturers.	Gain to American manu- facturers.
Western Australia partly skirted and fine Montana.	5 pounds 5½ ounces greasy wool to 1 pound finished cloth.....														Cts. per lb. 44.00	Cts. per lb. 58.63	Cts. per lb. 14.66	.....
Buenos Ayres fine partly skirted and Ohio XX un- washed.	4 pounds 9½ ounces greasy wool to 1 pound finished cloth.....														44.00	50.85	6.85	.....
Cape of Good Hope fine partly skirted and New York fine washed "heavy."	4 pounds greasy wool to 1 pound finished cloth.....														44.00	44.00	.....	.....
Adelaide fine skirted and Ohio XX washed "un- skirted."	3 pounds 8½ ounces greasy wool to 1 pound finished cloth.....														44.00	39.10	.....	4.90
Port Phillip fine greasy skirted.	3 pounds 3½ ounces greasy wool to 1 pound finished cloth.....														44.00	35.20	.....	8.80
Port Phillip fine lamb's, greasy skirted.	2 pounds 14½ ounces greasy wool to 1 pound finished cloth.....														44.00	22.00	.....	22.00

free trade in England and under the McKinley law in the United States, are the best equipped persons that I know of to give an opinion as to the comparative merits of the productive capacity of the American and foreign factory operative. Some of their Bradford help followed them to America. They thus actually employed the same men on the same looms and on the same kind of goods. Their answer to the question so often asked about the comparative efficiency of such labor has been put into print. It is to the effect that the same men, with double the English pay in America, with better food and clothing, and better houses to live in here, are less efficient than they were in England. I said to the senior partner, "That is at variance with the general impression." He explained his statement in this way: On the other side, if a man leaves his loom before he weaves out his warp he can be put in jail for breach of contract. Here a man may shift his belt onto the loose pulley and stop his loom, leaving the shuttle in the warp, and clear out, and you have no redress. Here they become careless, are soon demoralized, and altogether a great deal more independent than in England. He has figured out just how much was the cost of labor abroad and here on weaving on the same goods, without regard to the material in it. I mean the same sort of weaving by the same men who had worked for him in Bradford under free trade and under the McKinley law here. In England they receive about £1 (or less than \$5) a week for weaving. The same men in Pennsylvania, under the McKinley law, received over \$10 a week for precisely the same work—an increase of 100 per cent in wages over those earned in England; that is, a difference of 100 per cent in favor of the American workman. A similar increase over English wages is the rule all through other branches of this business. If, with your permission, I may occupy any more of your time, as that which was allotted to me has already been used up, I will come to the question of the compensatory duty, which seems to be the most difficult question for those to understand who are not in the business.

This first sample (indicating) is a fine Montana wool of Merino blood. It shrinks 70 per cent. It yields 30 per cent of clean scoured wool like the sample (indicating). It takes 5 pounds 5½ ounces of such wool to make a pound of finished cloth, or 1 pound 5½ ounces more than the McKinley compensatory duties provided for. Western Australia produces similar wool in great abundance, with a shrinkage of 70 per cent. It does not come to America, because the manufacturers are not willing to pay the freight on the 70 per cent of dirt. The freight on wool from London to mills in Pennsylvania 15 miles by rail from the wharf where the European steamer lands is only one-fourth of a cent per pound. With no duty on wool to-day, manufacturers here do not import any of this kind of wool. I asked why. The answer was, "Because we can not pay freight on dirt." "But," I said, "the Montana woolgrower has the same amount of dirt in his wool and he pays eight times the all-rail freight from Montana to New York that you pay from London to your mill, and you can not pay one-fourth of a cent per pound against the American grower's 3 cents per pound freight on 70 per cent shrink wool across the continent. How is it you can not use that class of Australian wool when the freight is only one-fourth of a cent per pound?" He replied, "We do not want it. We want only light-shrink wool; but we do want an ad valorem duty on wool, so that the foreign manufacturer may have our competition and will not be able to buy them at his own price, as he now does, and make cheap goods that would compete with our goods." There is nothing in this argument, for at the last London sales and the majority of all of the previous sales these skirted Port Phillip wools suitable for America were 10 per cent higher, by reason of the competition of American buyers, while the 70 per cent shrink faulty wools were neglected and were unchanged or lower in price.

Now there is no tariff on wool; wools are free. No duty stands in the way of importing these faulty wools now. If our manufacturers want an ad valorem duty in order to have access to these faulty wools after a duty is on, why don't they take advantage of their privilege and import them now, when there is no duty? They have the freest access to these cheap, heavy

wools to-day, and they will not touch them. This disposes of the contention that ad valorem duties on wool are necessary to give our manufacturers access to all classes of inferior, cheap wools. As they do not import them when wool is free, they never will import them under any form of duty; and those who use this argument, if sincere, are deceiving themselves alone.

The next sample is XX Ohio unwashed. It shrinks 65 per cent. It is wool of the same breed as the other heavier sample from western Australia. One is grown in Ohio and one in western Australia, but if both were scoured they would look alike, and nobody could tell the difference. If the wool in western Australia was grown in Ohio, it would look like that sample of Ohio. [Mr. Justice illustrated this part of his statement with various samples.] Both will show under the microscope a diameter of two thousandths of an inch. The difference in the wools is only the difference in the characteristics of soil and climate of the different localities in which they were grown. If you would reverse the conditions, this (indicating) wool would look like that, and that wool would look like this (illustrating).

It takes about 4 pounds 9½ ounces of this Ohio fine unwashed to make a pound of finished cloth. If a manufacturer imports this same class of wool from western Australia (with the McKinley duty of 11 cents per pound on wool and the compensatory duty of 44 cents on every pound of imported cloth to compensate him for the duty paid to the Government on the wool used to make that cloth), it would take 4 pounds 9½ ounces of greasy Australian wool to make 1 pound of cloth. He would have to pay 50½ cents on the 4 pounds 9½ ounces, which is the quantity of wool required to make a pound of cloth out of such wool, which would involve him in an outlay of 6½ cents in duties more than the compensatory duty of 44 cents which the law allows on imported cloth. The result is he is barred from importing 65 per cent shrink wool, the duties therefore on such wool would be 6½ cents more than the compensatory duty on the cloth which it would make. This class of wool is not now imported to any extent even though the duty has been taken off. With freight on such heavy wool only one-fourth cent per pound from London to America, the manufacturer does not want it, therefore it is safe to conclude, as already stated, that if he will not have it when there are no duties, he will never want it under any sort of ad valorem duties. But the point is, that if he did import such inferior West Australian or similar wool he would be out of pocket 6½ cents below the compensatory duty on every pound of cloth manufactured from such wool.

Now, this is a sample of a lighter-shrink wool, and of course the compensatory duty required would be less. This sample corresponds to Buenos Ayres, Lower Australian, and Cape of Good Hope wool, although it is New York or Michigan heavy fine washed, shrinking 60 per cent and yielding 40 per cent of clean scoured. It takes 4 pounds to make a pound of finished cloth, and the importer would have to pay 44 cents duty on the wool. This is the heaviest class of wool that could be imported under the McKinley arrangement of compensatory duties.

This brings us to the wools which are skirted, which are the only kinds of merino wools now largely imported under free wool, and the only kind that ever will be largely imported. The compensatory duty on cloth, when less than the duty on the wool required to make such cloth, makes wool of 60 per cent shrinkage the dividing line, or in other words, wools yielding 40 per cent or more of clean scoured wool are the only ones that are used in America with a compensatory duty on cloth.

The next sample is still lighter. It is an Adelaide, and corresponds with Ohio XX fleece washed. This is a wool shrinking 55 per cent and yielding 45 per cent of clean scoured wool. Only the very best of the Adelaide wools shrink as low as 55 per cent; some of them run up to 70 per cent. This is skirted wool. The American wool of the same kind and quality is not skirted, and from this cause sells in the grease at a lower price. These American and foreign wools of the same grade practically enter into the same cloth. When a manufacturer imports enough of this class of Adelaide (55 per cent shrinkage) to make a pound of cloth he pays the Government 20.10 cents duty on 3

pounds 8½ ounces, which is the amount it takes to make a pound of cloth. He saves the small fraction of 4.90 cents out of the compensatory duty. This shows the inducement to import skirted light-shrink wools.

This sample (indicating) is Port Phillip greasy superior, which is the most valuable wool in the world. It also corresponds with the XX Ohio, although it is cleaner. Three pounds three and one-half ounces of this high class of Port Phillip skirted fine wool will make a pound of cloth. It is very clean. It is on account of its light shrinkage that it takes such a small quantity, as each pound yields 50 per cent of clean scoured wool. If a manufacturer wants to import only enough wool to make 1 pound of cloth he would import 3 pounds 3½ ounces and would pay the Government in duty 25.30 cents on the wool and thus save the small fraction of 8.90 cents out of the compensatory duty on a pound of finished cloth. This class of wool is limited. The treasurer of the Washington Mills in an open letter states that only 5 per cent of the product of Australia is as clean as that. His estimate is entirely too small, but whatever may be the quantity, there never was any difficulty in procuring an ample supply of it, and our manufacturers have never been compelled, even with free wool, to resort to the faulty wools that require more than 4 pounds of wool to make 1 pound of finished cloth, and I contend that they never will be required to, nor will they, in my opinion, desire to do so.

This last sample is the lightest wool that comes from Australia. The shrinkage is 45 per cent, and it yields 55 per cent of clean, scoured wool. While there is a limited amount of this wool, there never was too little for America. It takes only 2 pounds 14½ ounces of this kind to make a pound of finished cloth. The duty on this 2 pounds 14½ ounces would be only 22 cents, while the compensatory McKinley duty was 44 cents per pound on cloth, so that if all manufacturers could use this kind they would save 22 cents out of the compensatory duty on each pound of cloth made of such wool.

The McKinley Schedule K, which imposed a duty of 11 cents per pound upon wool, determined the compensatory duty of 44 cents per pound on the cloth by taking shrinkage wools yielding 40 per cent of scoured as the dividing line. The great bulk of the world's supply of wool (I suppose fully 75 per cent of it) is so shrinky that a compensatory duty of 44 cents per pound would involve a manufacturer in a loss by its use. But there is an ample supply of much less shrinky wool than 60 per cent. The lighter the shrinkage, you will observe, the greater is the amount of the compensatory duty which the manufacturer saves. It was not foreseen by the joint convention of woolgrowers and woolen manufacturers that formed Schedule K of the McKinley law that the manufacturer was to get any fraction of the compensatory duty, but the working of it for four years developed this fact, and its operation completely justified its inventors.

After the compensatory duty was removed and nothing was left but the 50 per cent ad valorem duty (which, through undervaluations and false invoices, is not all collected), the manufacturer began to be compelled to close his mills. It was found that a nominal ad valorem rate of duty of 50 per cent to cover a difference of over 100 per cent in wages between here and abroad would not do. By limiting his purchases to light shrinking wools the manufacturer could, under the McKinley law, save, as already explained, a small fraction of the compensatory duty, and if that had not been the case his mills would have been closed under the McKinley law, as they are closed today with the inadequate Wilson low rates.

The CHAIRMAN. Is there not another important fact, that the McKinley law made the duties part specific and part ad valorem, so that the ad valorem was the subordinate part of the duty? Under the act of 1894 the duty is exclusively ad valorem, and therefore our whole attention may be directed to undervaluation; and is it not true that there has been an incentive to undervaluation which has resulted, in practice, in there being a smaller proportion of the duty collected than there was under the other law?

Mr. JUSTICE. Yes, sir; that is a correct statement of the facts.

The CHAIRMAN. And is not that a fact that you have to take into consideration?

Mr. JUSTICE. Yes; it is a very grave matter, involving the opening or closing of our mills, upon which we depend for a market for domestic wool.

I will quote in this connection from a pamphlet which I shall hand in, marked Appendix A, to which I now allude, and which bears directly and forcibly on that point. It is entitled *Prophecy and Experience*, and is from the September number of the bulletin of the National Association of Woolen Manufacturers. It is a most comprehensive and clear statement of this part of the subject, and as well a most earnest plea for the woolgrower from the standpoint of the manufacturer, as well as for the factory operative, and for the man who employs him. For conciseness and clearness I have seen nothing like it, and for this reason I desire to have it included in my argument. On page 14 of Exhibit A you will find that the average importation of cloth under the first three years of the McKinley law was about 13,000,000 pounds, or a total of 41,700,000 for the whole period. The average value of these importations was about \$12,300,000 per year, or a total of \$37,019,000. Comparing the year 1896 with the whole period of the McKinley law, or rather the years 1891, 1892, and 1893 (for everyone admits that the law was a dead letter after March 1, 1893, and that the Wilson law was discounted after that date, and what happened between March 1 of that year and the time when the Wilson law went into effect is of no value for a basis for estimating its utility), we find that the importations amounted to over 60,000,000 pounds, with a custom-house value of about \$25,000,000, which was an increase of 350 per cent in pounds over the annual average of the first three years of the McKinley law, but the value is only doubled or increased 160 per cent.

The CHAIRMAN. And wools had not fallen abroad?

Mr. JUSTICE. No, sir. On the other hand, they had advanced in price abroad. As already shown, Port Phillip fine advanced in London 5 cents per pound between the first and the last of the year 1895, when the effects of the opening of our markets was fully felt abroad, as you will see by tables appended.

[Justice, Bateman & Co., circular, August 1, 1896.]

#### THE EFFECTS OF FREE WOOL.

In Table A is a schedule of twelve leading grades of American wool, with the prices in the markets of Philadelphia, Boston, and New York on August 1, 1892, during the second year of the McKinley law when that law was in full and undisturbed operation. In the next column are the prices in the same markets at this date, the second year of the Wilson-Gorman law. In the third column is the number of cents per pound decline caused by the removal of the McKinley duties. The average decline by the substitution of free trade for McKinley protection on wool has already been 42½ per cent, and prices are still falling. The average price of wool in London, for wool of the same kind and quality, from 1888 to 1894, was 51 per cent lower than in the protected markets of the United States during that time. This difference has now been overcome by the domestic decline and the foreign advance. The removal of protection, which caused American prices to fall, stimulated the London wool market, and the latter has been advancing during the period that American markets have been declining. The London prices for foreign wool of the same kind and quality as the domestic are

shown in Table B. If it was not the removal of the McKinley duties which caused this decline in American wools when the markets of the world were advancing, what was it?

TABLE A.—American wool, Philadelphia and Boston prices.

	Price Aug. 1, 1892, second year of McKinley law.	Price Aug. 1, 1896, second year of Wilson-Gorman law.	Amount per pound lower.
	Cents.	Cents.	Cents.
XX Ohio washed.....	20	17	12
Ohio medium washed.....	33	19½	13½
Ohio coarse washed (½ blood).....	32½	18½	14
Ohio fine unwashed.....	20½	12	8½
Indiana and Missouri fine unwashed.....	19½	11	8½
Indiana and Missouri medium unwashed (½ blood).....	25½	14½	10½
Indiana and Missouri coarse (½ blood) unwashed.....	24½	15	9½
Oregon and Colorado fine, shrink 70 per cent.....	17	8	9
XX Ohio scoured.....	63	35	30
Ohio medium scoured.....	55	33	22
Ohio ½ blood scoured.....	43	25	18
Oregon and Colorado fine scoured.....	57	30	27

Average American decline in two years, 42½ per cent.

TABLE B.—Foreign wool, London prices.

	Price Aug. 1, 1892, in London.	Price Aug. 1, 1896, in London.	Higher.
	Pence.	Pence.	Pence.
Port Phillip greasy (similar to XX Ohio).....	11	11	.....
New Zealand and crossbred greasy (similar to Ohio medium).....	9½	10	½
English Shropshire hoggets (similar to Ohio ½ blood).....	10½	10½	.....
Cape greasy (similar to territorial fine).....	6	7	1
Port Phillip scoured.....	22	22	.....
New Zealand crossbred scoured.....	16	17½	1½
English Shropshire hogs.....	13½	14	½
Fine Cape scoured.....	15	17½	2½

Average London advance in two years, 9 per cent.

The CHAIRMAN. Is not that fact a demonstration that under exclusively the ad valorem system there have been enormous undervaluations, to an extent unknown before?

Mr. JUSTICE. This fact alone would indicate an undervaluation of about 35 per cent, because here is evidence that the quantity has increased three times, or tripled, and the values have only doubled. That will be found on page 14 of Exhibit A, which I submit, and to which I again call your attention as most important, as showing where the Government is losing its revenue.

#### Imports of manufactures of wool and cloths.

[From the Commerce and Navigation Reports, United State Treasury Department.]

Year ending December 31—	Wool manufactures.	Cloths.	
		Pounds.	Value.
1891.....	\$24,010,543	11,886,716	\$11,489,973
1892.....	37,515,445	16,238,313	14,088,525
1893.....	30,238,506	13,604,965	11,460,795
Total.....	101,764,494	41,730,996	37,019,292
Average of three years.....	33,921,498	13,913,331	12,339,764
1895.....	60,319,301	40,070,148	25,281,668

There is just one more point about which I wish to speak, and then I will close, thanking the committee for its indulgence, and apologizing to it for having taken up so much more time than was originally assigned to me for the discussion of this subject. However, this is an important matter, and if it were printed only without any oral explanation, a good deal of its force would be lost.

In making a new tariff law there seems to be a general impression among the public that you must make a conservative bill, which means low taxation, but they lose sight of the fact that the increase in the national debt under President Cleveland's Administration will require higher taxation per capita than was necessary under the McKinley period. By the time the new revenue law goes into operation the increase in the national debt threatens to approach \$300,000,000. I arrive at these figures in this way: There were \$280,000,000 of bonds sold. The interest on those bonds up to the time they mature will be over \$240,000,000. This interest has to be paid out of taxes before the bonds are paid, which makes over \$50,000,000 increase in the national debt without adding the deficit. Now, at the rate of the increasing deficit which is going on (you know better than I how much a month) that deficit will bring the total debt up to near \$300,000,000 by the time the new law can be framed and passed. The people will therefore have to submit to a higher per capita taxation than under the McKinley law, whether they like it or not. That is the price they pay for the experiment of a tariff for revenue only and that kind of policy.

Mr. GOSWENON. If they have a luxury, they must pay for it.

The magnitude of this industry, Mr. Chairman, is something absolutely wonderful. Not only is it a munition of war, but it is



a money-raising, money-producing feature of American agriculture. In the documents which I shall add to my speech I shall put in abundant material for the student of this question, so that he can fully understand all that there is of it. I will show in these exhibits the rise, the progress, the fall, and the practical death of this industry, and will furnish information upon every possible issue that can be raised. In doing so I have been aided, as was the Committee on Ways and Means, at every step of the way by the invaluable suggestions of Mr. Theodore Justice, of Justice, Bateman & Co., of Philadelphia, Pa.; and it may be well here to state that that gentleman has more interest in the success of the American woolgrower than any one man in the United States, and has more knowledge of the whole subject, in my humble judgment, than has any other one man in the United States, and I heartily tender my thanks to him for his constant assistance.

Now, it will be seen by a study of the various arguments and contentions made upon the different sides of the wool question that one of the greatest difficulties that the woolgrower has had to contend with and one of the matters about which the woolgrower has made the most complaint is the article known as third-class or carpet wools. These wools came in under a tariff duty of 32 and 50 per cent ad valorem; and now let it be stated at once, and once for all, that we produce no carpet wool in the United States. Carpet wools therefore are proper and legitimate subjects for ad valorem duties. They are taxed for the mere purpose of raising revenue and to regulate their introduction into the United States. But heretofore, under the provisions of the McKinley law, it was claimed, and with much force, that a large quantity of clothing wools came into the United States under the guise and description of carpet wools, wools of the third class.

This was the sticking point with our woolgrowers, and the fierce orator, speaking once for the woolgrowers and twice for himself all over the country, claims vociferously that the McKinley bill was absolutely defective, absolutely valueless as a protective measure, because of these frauds. This bill reported by the Ways and Means Committee has cleared up that trouble and there is no longer just ground for complaint. Instead of permitting the importation at ad valorem rates of carpet wools by designation, this bill provides for classifying directly carpet wools, and inasmuch as it has been discovered, and easily discovered, through what medium the frauds were perpetrated in the importation of carpet wools, we have lifted out of the carpet-wool designation seven different brands of wool and have placed them in the dutiable list at specific duties as first-class wool. It is believed, and confidently believed, by the best and most intelligent friends of the woolgrower that under this new classification there will no longer be frauds upon the grower of legitimate clothing wool in this way.

It will be seen by an examination of the bill that the following wools, heretofore imported as carpet wools, have been thus transferred:

China lamb wool, Arabian Bagdad wool, Egyptian wool, Morocco wool, Castle Branco wool, and some of the finer qualities of Turkey wool, such as the finer Adrianople skin wools.

This is one of the mediums through which frauds were perpetrated, and these are now dutiable at specific rates.

I here produce a table showing the various kinds of wool and the effect that an all-around duty would have at 40 per cent ad valorem, and in this connection I desire to say that under the McKinley law there was imported into this country such a trifling amount of the higher grades of carpet wool costing over 13 cents that the average duty was only a trifle over the 33 per cent ad valorem. Hence it will be seen that carpet wools as now classified in the Dingley law will cease to be a source of trouble to the woolgrower, and justice and fair play will take place:

Third-class wool costing over 13 cents.

	Price in Liverpool January, 1897.	McKinley duty of 50 per cent.	Proposed duty of 40 per cent.	Lower than McKinley law.
East India Candahar:	Cents.	Cents.	Cents.	Cents.
Best soft white	16	8	6.40	1.60
Pale yellow	14	7	5.60	1.45
East India Vicaner:				
First white	18	9	7.20	1.80
Second yellow	14	7	5.60	1.45
East India Joria:				
First white	20	10	8.00	2.05
First yellow	16	8	6.40	1.60
East India Puc Pathan	14	7	5.60	1.45
Donakol, white washed combing	15	7	6.00	1.50
Oporto, washed white fleece	14	7	5.60	1.45
Iceland (washed white):				
Superior	10	5	7.00	1.90
Average	10	5	6.00	1.65
Scotch choicest Haslock	10	5	6.40	1.60

Average lower than McKinley law, 1.62 cents on 13 grades.

Wools costing 13 cents and under.

	Price in Liverpool January, 1897.	McKinley duty of 33 per cent.	Proposed duty of 40 per cent.	Higher than McKinley law.
China, white, washed	Cents. 13	Cents. 4.16	Cents. 5.20	Cents. 1.04
Oporto, black, washed	12	3.84	4.80	.96
East India, Marwar, very coarse white	11	3.63	4.40	.88
Cordova, white, unwashed	10	3.20	4	.80
Smyrna, Yerli, short	9	2.88	3.60	.72
Persian, uncleaned white	8	2.66	3.20	.64
East India, Marwar, very coarse gray and black	7	2.24	2.80	.56
Tartary, white touched with gray	6	1.92	2.40	.48

Average higher than McKinley law 0.76 cent on 8 grades.

Since the bill passed, an outbreak of complaint has been made against it in two directions, one by the semi-free traders of the East, anxious for special benefit to their own certain section, and the extravagant and unreasonable representatives of the woolgrowers' interest in the West. Between these two conditions the life of this schedule is threatened. My position is this: We defended the McKinley law before the country. The business of woolgrowing and wool manufacture prospered under the McKinley law. The prosperity was great and would have been permanent and increasing had it not been for the untimely interference of the Cleveland Administration. There is no reason why the woolgrower should complain of the McKinley law, for he has fought for it and criticised its repeal. There is no reason why the woolen manufacturer should complain, for he grew rich and prosperous under it and his industry was ruined by its repeal.

So, then, it is the plain duty of the woolgrower of the West and the manufacturer of the East to accept this schedule, and I have a few words to say in this immediate connection. The farmers of the West, more than 2,000,000 of them, will demand as the ultimatum this wool schedule. If there are defects in its details, it can be amended with the acquiescence of the farmer, but they have too long borne the burden of ever-increasing local taxation and ever-decreasing values of farm products to submit to an overthrow of this industry, and the American statesman may just as well understand that the trial is on and that the eyes of these millions who have supported the Government by their toil are scrutinizing the action of this House with more intelligence and more determination than has marked any other era of American politics. The people know what they were promised. The people know what is here offered. The people will know if this offer is withdrawn, and the people will know who withdrew it. The rates of duty in this schedule for the woolgrower are not so high in ad valorem results as are the duties in the cotton schedule and in a vast number of the smaller industries.

I append here the last circular of Justice, Bateman & Co., and commend it for its lucid and intelligent statement of conditions and surroundings:

#### Wool of the Market.

Wool is in improved demand. The sales would be larger if holders were willing to sell at current rates, which are only kept down to the level of the London market by the competition of the latter, which will only cease when the pending tariff is enacted into law. Quotations have been advanced. The bulk of the wool offered for sale at to-day's prices is the heavy shrink, fine territorial, which is still in ample supply.

#### Wool Supply for 1897.

The attention of the trade is now mainly occupied in forecasting the probable prices for wool for the coming season, which will be greatly influenced by the date when the Dingley bill shall become operative, as that alone will determine when the foreign wool now pouring into the country shall cease coming. The defeat of the Dingley bill last winter has given importers and manufacturers one year's supply of cheap free wool, which will greatly modify the advance in prices for a long time after the new duties are in operation. The supply for 1895 and 1896, with the domestic clip for 1897 together with the amount likely to be imported during this year, less the amount consumed in these periods, will give the probable surplus to be carried over into the year 1898, as shown in the following table:

Comparison of the supply and consumption for 1895 and 1896 with estimates for 1897.

	1895.	1896.
	Pounds.	Pounds.
Carried over from previous year*	190,530,000	231,724,651
American clip	294,290,729	272,474,788
Imports of wool	248,969,217	159,776,015
Imports of shoddy, noils, waste, etc.	30,918,106	17,011,149
Total supply	694,724,651	680,986,603
Consumption	463,000,000	232,000,000
Carried over into next year	231,724,651	448,986,603

Estimate of the Boston Commercial Bulletin. This computation dates from January 1, 1895, because the mills at that time, in anticipation of the Wilson law, had used up their supplies of wool. The probabilities are that not for many years had there been so little stock in the mills as on that date.

## ESTIMATED SUPPLY, CONSUMPTION, AND SURPLUS FOR 1897.

	Pounds.
Carried over from previous year	448,886,823
American clip of 1897 (estimated)	272,474,708
Imports of wool from January to July, 1897, estimated 50 per cent of the imports of 1896	70,888,007
Imports of shoddy, noils, waste, etc., from January to July, 1897 (estimated)	8,505,574
Total estimated supply for 1897	800,854,812
Estimated consumption for 1897	463,000,000
Carried over into 1898	364,854,812

The quantity carried over from December 31, 1896, appears to have been over 448,000,000 pounds. Add to this the clip of 1897 and the amount of foreign wool and shoddy likely to be imported before the Dingley bill is passed—say on July 1, 1897—and you have a total supply for the year 1897 of over 800,000,000 pounds. The domestic consumption of 1897 will probably be as great as the 463,000,000 pounds which was the annual average consumption of the McKinley period. This estimate is based on the assumption that our machinery will have normal employment, which now seems probable, as it is too late for foreign mills to make goods in time to fill American fall season orders in advance of Congressional action. There will therefore probably be carried over into 1898 only 364,000,000 pounds, which will be about 20 per cent less than that carried over into 1897. The quantity on hand, as exhibited by these figures, in the face of the dawn of an era of prosperity, is not excessive. But in view of a surplus at the end of the year of nearly 70 per cent of the consumption, and that as all of it except the domestic clip for this year (still on the sheep's back) was bought on the free-trade basis, it is not probable that prices during 1897 will advance to the full extent of the foreign price plus the duties.

## THE COST OF CLOTHING WILL NOT BE GREATLY INCREASED.

Most manufacturers have secured a liberal supply of cheap foreign wool, and can thus take orders for goods based on their ample supplies of cheap raw material, so that those who expect inordinate profits on their holdings of wool, or a greatly enhanced cost of clothing, are likely to be disappointed. There may not be a repetition of the experience which followed the passage of the McKinley law, when, within one year after that law was passed, both raw wool and clothing averaged lower than they had ever been before. But some light on the future of prices may be obtained from the experience with prices current in 1892, shown in the following table, especially as the new Dingley tariff bill will probably carry the old McKinley rates.

Table showing the amount of protection given by the McKinley law and the increase in the protected price over the free-trade price, caused by the McKinley duties, on sixteen leading grades of American wool.

[American wool, Philadelphia and Boston prices.]

	Price in August, 1892, second year of McKinley law.	Price in August, 1894, second year of Wilson-Gorman law.	The actual protection per pound on each grade under McKinley law.
	Cents.	Cents.	Cents.
Ohio XX washed	20	17	12
Ohio medium washed	23	19	13
Ohio coarse washed (one-fourth blood)	22	18	14
Ohio fine unwashed	20	12	8
Indiana and Missouri fine unwashed	19	11	8
Indiana and Missouri medium unwashed (one-half blood)	25	14	10
Indiana and Missouri coarse unwashed (one-fourth blood)	24	15	9
Texas, Utah, Oregon, and Montana fine, shrink 70 per cent	17	8	9
Texas, Utah, Oregon, and Montana fine medium, shrink 65 per cent	18	10	8
Texas, Utah, Oregon, and Montana low medium, shrink 60 per cent	20	11	9
XX Ohio scoured	43	35	28
Ohio medium scoured	55	33	22
Ohio one-fourth blood scoured	43	25	18
Texas, Utah, Oregon, and Montana fine scoured	57	30	27
Texas, Utah, Oregon, and Montana fine medium scoured	58	28	24
Texas, Utah, Oregon, and Montana low medium scoured	50	27	23

As there are no foreign wools that are exactly similar in condition and in price to American, no satisfactory comparison as to free trade and protected prices can be so well made as of the leading American grades under free trade with their value under protection. The above table has therefore been prepared for this purpose.

In column No. 1 of the above table are the prevailing prices of sixteen leading grades of American wool in August, 1892, two years after the passage of the McKinley law, when it was in full force, and was not menaced with repeal. In column No. 2 are the values for the same qualities when the same conditions surrounded the free-wool Wilson law, two years after its passage. In column No. 3 is the difference in values between the McKinley price in August, 1892, and the free-wool price in August, 1894, which is the actual amount of protection of the McKinley law with 11 cents duty on unwashed and 23 cents duty on scoured. Of course if there should be no change in foreign prices for the best Australian grades (which now average about as they were in the McKinley period), as soon as the enormous supply of free foreign wool now here and daily arriving is exhausted, this same increase in value must again occur. Like causes under similar conditions must produce a like effect. But conditions may prevail in 1897 of which we have not had any previous experience, such as a year's supply of cheap foreign wool, which must operate to greatly modify, for the best part of the year at least, the expected advance in prices from the reimposition of the McKinley wool duties. The support which America has given to foreign wool markets since the McKinley law was repealed will surely soon be withdrawn. The effect of this must be a decline abroad. It would not be unreasonable to again expect a drop to the lowest foreign prices shown in the diagram. If this should occur, it would involve a foreign decline of about 6 cents on the choicest skirting Australian, which must greatly modify the increased cost to the American consumer of

wool here even with the 11 cents per pound Dingley duty. If the American woolgrower should not again see wool prices on the farm as high as they were during the average of the McKinley period even with the same duties, he must bear in mind that conditions all over the world have changed, and that he always has the increase in price over his foreign competitors that the advantage of the duty of 11 cents per pound will give him, which happy condition he should compare with his experience with two years of free wool and one in anticipation of it.

## THE DINGLEY TARIFF BILL OF 1897.

The Committee on Ways and Means have introduced into the House of Representatives by far the most scientifically drawn tariff on wool and woolsens that has ever been presented to any American Congress. In framing this bill the country has had the benefit of the experience of a committee long familiar with legislation, assisted by skillful Treasury experts, some of whom have spent a quarter of a century in administering the last four tariff laws. There are more specific rates in this bill than in any of its predecessors, and there will therefore be fewer undervaluations and fewer frauds on the revenue than heretofore. This bill should be promptly enacted into law, because in it are the principles under which was developed the country's greatest prosperity and because it contains the elements of protection to American industries, from which have come the greatest gains to the people and the greatest comforts to the masses.

## THE WOOL SCHEDULE.

The wool schedule (which will prove of the most benefit to American consumers) will, of all others, be assailed with the most bitterness. There will be leveled against it the stock arguments of those who imagine that the nation can become rich and prosperous by buying woolen goods abroad instead of making them at home, and who believe in allowing American mills to lie idle, as they have under the Wilson law, and who, in order to buy cheap things, would be willing to see the American flocks destroyed. Those who know that the opposite doctrine is the best, as do all who are interested in the American wool industry, must be prepared to vigorously defend this excellent bill. It is better for the American woolgrower in many respects than any previous tariff law with the possible exception of that of 1867, and in view of the changed conditions produced in the thirty years since its passage, it is doubtful if it is not even better for them than that law would be now if reenacted.

The gains of most importance to the domestic woolgrower are those obtained by the transfer of a number of kinds of wools of the third or carpet-wool class to the first or clothing-wool class. These were formerly dutiable at 32 per cent ad valorem, the specific equivalent of which is only about 3 cents per pound. They will now be dutiable, if imported unwashed under the new bill, at 11 cents per pound. These are the finer grades of so-called carpet wools, but which are really largely used for men's wear. They are China lambs, Bagdad, Egyptian, and some other varieties of Mediterranean wools, which by their users are now called carpet wools, but which are really used for other purposes. They will not only be dutiable at 11 cents per pound instead of 32 cents when imported unwashed, but will bear double the unwashed duty if imported washed, and three times the unwashed duty if imported scoured, as against only 32 per cent ad valorem under the McKinley law, without regard to condition. This is an improvement over the law of 1890, as it removes a constant source of irritation to woolgrowers, which was one of their principal complaints against that measure.

At the late conference in Washington between manufacturers and woolgrowers, the former proposed the utmost that they felt they could join with the woolgrowers in recommending for adoption by Congress with a view to giving reasonable promise of permanency. The losses sustained by manufacturers in the change from protected to free wool were frightful, and are a warning for the future not to be lightly ignored. Their proposition of 20 per cent less than the McKinley rates on wool of the first and second classes was not from any feeling of hostility to the woolgrowers, for such is not their attitude. It was because they believed that higher rates would not be permanent, and because they believed that to return in a few years to free wool would injure the grower as much or more than the manufacturer. With free wool as a permanent policy some manufacturers could survive, but the woolgrowers, judging by nearly three years' experience with free wool, would mostly be destroyed.

## SKIRTED WOOLS.

The Ways and Means Committee have performed an act of justice by restoring the McKinley rate upon unwashed wools of the first class because of the increased practice of skirting wools, which is spreading all over the world. While skirting fleeces is an improvement in the system of marketing wool, Australian wools that are skirted are increased at least 5 per cent in value thereby, and South American wool much more than this. But there was no possibility of enforcing a law imposing a penalty upon skirted wools, as has been explained so frequently before. It is not practicable to have one duty for skirted wools and another for those which are not skirted, for most of the wools would be imported at the lower duty. Such an arrangement would be of no advantage to the woolgrower, and would be a fruitful source of fraud. The only way that Congress could overcome this was by making the duty high enough to satisfactorily cover skirted wools, which are about all that are likely to come to the American market after the duty is reimposed. This consideration may account for the 11 cents per pound protection on wools which the committee has given when manufacturers believed 8 cents per pound duty would be ample. Sheep husbandry has therefore received more protection than the maximum duties which were proposed at the conference by the manufacturers. While 11 cents per pound is nominally the same as the McKinley rate on unwashed wools of the first class, it is in point of fact a modification or lowering of the duties of that law. That is to say, 11 cents per pound will now be collected upon wools, nearly all of which are skirted, whereas under the law of 1890 that same duty was collected from wools many of which were not skirted. Those who believe that 11 cents per pound is too high, must not lose sight of that fact. In view of the practice of skirting wools, this duty is not too high, for 11 cents affords no more protection now than 20 cents furnished when the McKinley law was passed. Ample protection, which was promised in the St. Louis platform, requires duties high enough to restore the flocks which during the past four years have been so ruthlessly destroyed. Free trade has reduced them until there are fewer sheep in the United States to-day than at the close of the war in 1895.

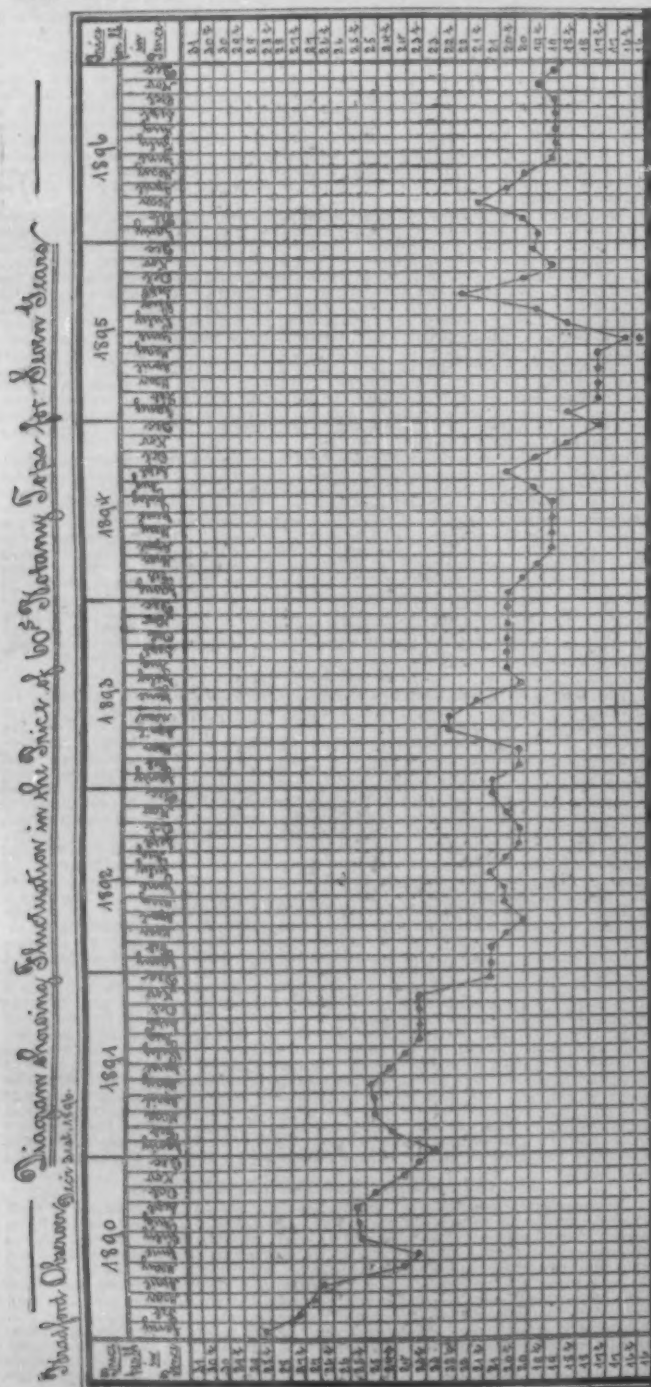
## SILVER SENATORS WHO ARE PROTECTIONISTS.

The apparent restoration of the McKinley rates, and the transfer of such clothing wools as have been taken from the third to the first class will be seized upon as a means for defeating this bill, and the Senators from the Pacific Slope and those from the Rocky Mountain States especially should see that the amendments with which the wool schedule is likely to be assailed are not permitted to deprive the woolgrowers of the rates which the members of the Ways and Means Committee were convinced were both fair and just. The woolgrowers of the United States have been well cared for by Mr. Dingley's committee. Senators from the important woolgrowing States should see to it that no amendments which are likely to defeat the bill, or which are disguised with a view to lessen protection to American woolgrowers, shall be permitted in it. In view of the flood of foreign wool now pouring in, there should be no unnecessary delay in its passage.



## LONDON WOOL AUCTIONS.

The second series of colonial wool sales opened in London on the 9th ultimo with active competition, limited, however, mostly to Americans, whose spirited buying advanced prices from 5 to 10 percent upon the choice grades suitable for America. The heavy and faulty qualities, which Americans will not buy, were neglected and weak. If any further proof is needed that entirely disposes of the contention that ad valorem duties upon wools of the first or second class are necessary in order to give American manufacturers access to the cheap wools of Europe, it will be found in the utter neglect by America of the cheap, faulty wools, even though declining in price and free of duty as they are. If these heavy shrink wools are not imported under free trade, they will never be imported under any sort of an ad valorem duty, no matter how low it may be. Orders from America for manufactures of wool have fallen off, and the European woolen industry is in a depressed condition. Neither English nor Continental buyers, therefore, can follow the upward movement of wool prices which has been caused by the American competition. Foreign correspondents believe that the sales now in progress would have utterly collapsed but for American support. Europeans generally are holding off or buying only the faulty lots until the American competition ceases, confident later on of securing much cheaper wool. They look for a resumption of the downward inclination of prices shown by the diagram, which doubtless would have continued until the present time but for the passage of the free-wool Wilson law, which seems to have benefited all of the people in the universe except those of the United States.



The above diagram indicates the general European course of fine wool prices from January, 1890, to December, 1896, as revealed by the quotations for No. 60's Botany tops. These are made from merino wools, widely varying in their fleece condition and value, but when scoured, carded, and combed are brought into a uniform condition, commercially known as tops. During the period covered by this diagram, the above quality averaged nearly double the price of the best skirted, unwashed, Port Phillip fleeces.

The downward inclination, as shown in the diagram, from 1890 until arrested in 1895, was mainly the result of the increase in the world's supply of clothing wools during that period. This downward tendency was suddenly interrupted shortly after the passage of the Wilson law, which opened the American market for wools to the almost unrestricted competition of the world, and at once made it greatly to the interest of American manufacturers to buy foreign instead of domestic wool, to the neglect of the latter. Thus stimulated by the increased American demand, prices abroad rapidly advanced 35 per cent within a few weeks. The beginning of this upward movement is indicated by the star in the diagram, which marks the point when American purchases of foreign wool and foreign goods received their great impulse.

The purpose of this diagram is to show how American prices may be influenced. The downward inclination previous to 1895 from similar causes may again occur in foreign markets after American wool duties are restored. This expectation is evidently having some influence in restraining European manufacturers from competing with American buyers at the London wool auctions now in progress, as the absence of the latter for a long time after this sale is almost certain.

I here produce an able defense of the bill by the gentleman to whom I have already referred:

[From the Philadelphia Telegraph.]

## WOOL IN THE NEW TARIFF.

Mr. Theodore Justice, the Front street wool merchant, who returned from Washington last evening, after the completion by the Ways and Means Committee of the wool schedule, which has been such a cause of bitter contention by the woolgrowers, was seen this morning by a representative of the Telegraph.

Mr. Justice states that the decision arrived at by the committee is considered impartial and just to all interests. The bill is an improvement on the McKinley schedule, and while on its face it appears to be the reenactment of the McKinley law, in point of fact it is a modification of that measure.

Judge Lawrence, who represented the woolgrowers at the hearing before the Ways and Means Committee, insisted upon a penalty upon skirted wools. That is to say, he urged a higher duty upon Australian and South American wools in cases where the inferior portions are torn off of the fleece, a practice that is increasing all over the world in the method of marketing wool.

The McKinley law imposed a duty of 11 cents per pound upon unwashed wool of the first class, skirted or unskirted. Since wool has been put on the free list, the practice of tearing off the leg and belly wool and the tag locks has increased, and the inferior portions are not imported, so that only the best part of the fleece now comes to America. The reimposition of the McKinley rates, while apparently only the reenactment of the McKinley law, is in point of fact the reestablishment only of the McKinley rates upon wool that is now more valuable than it was at the time of the passage of the McKinley law, so that in reality the new schedule is a modification or a lowering of the McKinley law.

The reason why the contention of the woolgrower for a penalty upon wools that are skirted was not adopted was because a penalty upon skirted wool would be a premium to wrap up dung or taglocks and other inferior portions inside of fleeces; besides, if there were two duties, a low one upon wools that were unskirted and a higher one upon skirted wools, nearly all of the wool would come in at the lower or unskirted duty. The higher duty or penalty would never all be collected. It would not always be possible for the custom-house examiners to determine which was skirted and which was unskirted. It would involve the closest scrutiny and the opening of every bale. This feature of the law would be a dead letter and would be of no advantage to the woolgrower, but would be an incentive to fraud and undervaluation. It would discriminate against the honest importer and would work in the interests of such importers as would swear to false invoices.

The process of skirting foreign wools was not established with a view to the requirements of American manufacturers, nor was it done with a view to avoiding American tariff duties upon wool. After wool was made free of duty by the Wilson law, the practice of skirting spread with greater rapidity all over the woolgrowing world than at any other period when wools were dutiable. The practice is the result of the demands for skirted wool by the manufacturers of the whole world. It is in the march of progress, and while it deprives some wool sorters of employment, just as the sewing machines deprived sewing women of employment, yet it is an improvement in the method of marketing wool and benefits users of wool just as the sewing machine was a benefit to mankind. This skirting clause was a point of disagreement between manufacturers and woolgrowers at the late wool conference in Washington, which has thus been happily and justly settled by the Committee of Ways and Means in the only practical way that a reasonable settlement could be effected. The retention of the penalty for sorting wool, as claimed by Judge Lawrence, would have defeated the whole tariff bill, with the attendant evil consequences of the Government having to continue to sell bonds for lack of sufficient revenue.

The other point of disagreement at the conference between woolgrowers and manufacturers was with regard to third-class or so-called carpet wools. When the McKinley law was enacted, the duties upon some of the finer grades of carpet wools, such as are now being more largely used for men's wear than for carpets, was to have been 50 per cent ad valorem. This duty of 50 per cent was to have been collected from such as cost over 13 cents. The wools that cost under 13 cents, which were supposed to be strictly carpet wools and unsuitable for men's wear, were to be dutiable at only 32 per cent ad valorem. American carpet manufacturers refused to purchase any wools not available at the lowest duty of 32 per cent. The result was that most of those which had previously cost over 13 cents, and which were to have been dutiable at 50 per cent ad valorem, were left unsold in the European markets, where they accumulated until they fell enough in price to come in below the 13-cent dividing line. American carpet manufacturers were thus able to secure all the wool they required at the lower duty, and there was apparently nothing imported at the 50 per cent duty. This was a source of disappointment to the woolgrowers, which was expressed by Judge Lawrence in the words:

"The woolgrowers, under the McKinley law, were lured by the carpet manufacturers." This was not a fair charge, for the manufacturers themselves at the time of the passage of the McKinley law could have had no expectation that wool that was to be dutiable at the 50 per cent duty would fall enough in value to avoid this duty and come in at the 32 per cent duty.

Since wool has been on the free list many kinds of so-called carpet wools that were never imported under any tariff found their way to America in large quantities for use in the manufacture of clothing. Among them were China lamb wool, Arabian Bagdad wool, Egyptian wool, some of the Morocco wools, Castle Branco wools, and some of the finer qualities of Turkey wools, such as the finer Adrianople skin wools. Small American country mills were

using these to mix with American wool in order to cheapen the latter. When the farmers drove up with their wool for sale, the manufacturer confronted them with samples of these cheap so-called carpet wools, which in many cases could be secured clean at the price which the farmer wanted for his wool in the condition in which he marketed it. This led to an exaggerated estimate of the proportion of carpet wools used for clothing purposes. They had no knowledge of the fact that nearly 90 per cent of all of them went directly into the manufacture of carpets, an industry of which the output in monetary value is as great as the output of the woolgrowing industry in the United States, especially since the latter under Cleveland's Administration has been so largely destroyed that there are fewer sheep in the United States to-day than there were at the close of the war in 1865.

The Committee on Ways and Means have overcome this difficult question very wisely and equitably by transferring from the carpet or third class to the clothing or first class the finer grades of carpet wools not largely used for carpet purposes, but used very extensively for clothing manufactures. This has removed all just cause of complaint by woolgrowers, for the bulk of the wools that remain in the third class are so coarse and rough that the American woolgrower would never produce anything like them, nor are they very likely to enter very largely into the manufacture of clothing. This judicious action of the Committee on Ways and Means removes a fruitful source of irritation and conflict between carpet manufacturers and woolgrowers that placed the whole tariff measure in jeopardy.

The two points that were the main cause of contention and disagreement at the late conference between manufacturers and woolgrowers have thus been settled by the Ways and Means Committee in a way that could not possibly be accomplished by the convention, owing to the extreme positions taken by some of its influential members. On the whole, the bill, as now drawn, is a decided improvement over the McKinley law, and, if passed, as it will be, and permitted to endure, as we trust it will, will restore the flocks that have been destroyed by the present free-trade law. The Committee on Ways and Means are to be congratulated for having brought forth a measure that is divested of the features that were likely to be a cause of conflict and irritation between the population east of the Hudson, where the McKinley law was believed to be too high, and that west of the Hudson, where the McKinley law was either believed to be about right or else not high enough. In agricultural sections the latter view was largely prevalent.

The bill will go to the Senate in such shape as to receive the support of the free-silver Republican Senators of the Rocky Mountain region, whose constituents have no direct interest in the tariff beyond its relation to wool, lead, and hides.

The only feature of the bill that is not now satisfactory to the Philadelphia ingrain carpet industry is the collateral one of Japanese jute rugs. A specific duty of 10 cents per square yard is believed to be necessary in order to protect ingrain carpet manufacturers from the competition of Japanese and Chinese cheap labor in the production of jute rugs and matings now largely substituted for ingrain carpets. The duty upon wool will increase the cost of ingrain carpets to the extent of a few cents per yard; and in order that the gap between the cost of matings and ingrain carpets may not be widened thereby, it is necessary, as a measure of protection to this American industry, that there should be a specific duty from 6 to 10 cents a yard upon these oriental productions. As the Government needs revenue, it is fair that these oriental products should bear their share of producing the revenue of which the Government is in such need.

Let this Congress do justice by the woolgrower, and he will spring into activity and prosperity. Let this Congress fail to do so, and the business of producing wool in the United States is forever at an end, and the people of the United States will very shortly be in the hands of the foreigner, who will deal with him in this behalf in the same merciless manner that England deals with everybody, whether it be her commercial rivals or the Armenians of Turkey or the Christians of Crete. The civilization of England is the civilization of greed, of extortion, of oppression, and if she can destroy the wool-producing industry of the United States, as she will if the present Congress adjourns without doing justice to the woolgrower, then England will control the production and markets of the world as to wool, and we shall find ourselves in the hands of that interesting country, and in case of war we shall find ourselves unable to clothe our soldiers.

### The Tariff.

### SPEECH OF

**HON. PATRICK HENRY,**  
OF MISSISSIPPI.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. HENRY of Mississippi said:

Mr. CHAIRMAN: This extraordinary session of Congress was called by the President, as he says in his message, "because of the condition of the revenues of the Government." Elected on the money issue, he convokes Congress to consider the tariff question; while Mr. Cleveland, in 1894, elected on the tariff issue, convoked Congress to consider the financial question—the repeal of the purchasing clause of the Sherman Act. This is rather an anomalous condition of things.

In his message, Mr. McKinley further says:

With unlimited means, we are presenting the remarkable spectacle of increasing our public debt by borrowing money to meet the ordinary outlays incident upon an economical and prudent administration of the Government.

Let us see how the revenues of the Government stand. Exclusive of the \$100,000,000 gold reserve, there is over that amount in the Treasury with which to meet the "ordinary outlays of the

Government," and it has been stated on this floor that when the Democrats tried to restrain the issuance of bonds the Republicans stood by Mr. Cleveland. It does not lie in their mouths now to complain.

Practically speaking, it is no matter now how the money got into the Treasury; it is there, and where was the necessity of subjecting the country to the expense of an extra session, thereby thrusting upon it this tariff legislation, which always unsettles business and adds to the general depression; and that, too, in the face of the declaration in the inaugural address of Mr. McKinley "that economy is demanded in every branch of government at all times, but especially in periods like the present, of depression in business and distress among the people?" With the revenues arising under the present tariff law largely increased during the present month, and the increased receipts from internal revenue, together with over \$100,000,000 in the Treasury, to say nothing of the gold reserve, it does seem that with economy the country could "pull through" till the regular session in December next.

This is an evidence of the severe economy practiced, as is also the indecent haste with which the four appropriation bills, carrying about \$73,000,000, were rushed through the House by the majority, without adequate time for debate. From such economy, "Good Lord, deliver us."

It is claimed that this bill will raise \$113,000,000 more than the Wilson bill. With the economy promised, why exact so much money? It is criminal to collect more than is needed at all times, but "especially in periods like the present, of depression in business and distress among the people." Surely there must have been other causes which prompted this call. A high protective tariff is the proposed remedy for the many existing ills; the people must be subjected to a higher tax—for tariff is a tax—to overcome the depression in business and general distress.

Mr. Chairman, the theory of protection carried to its logical conclusion would reduce instead of increase the revenues of the Government, for everyone knows "high tariff protection" means prohibition, and instead of putting money into the Treasury has the effect of keeping out foreign producers; of taking money out of the pockets of the people and putting it into the pockets of the protected industries.

There should be a tariff for revenue only, not for protection.

Since revenue has to be raised, there should be some rule or device whereby taxation will fall fairly and justly upon all. No section or industry should be oppressed that another section or industry should prosper. In this Republic there should be no privileged classes favored at the expense of the masses, nor should the tariff be so high as to prohibit importations. It should be laid on luxuries and not on the necessities of life. It should not be levied and collected for the purpose of encouraging industries. This is contrary to the spirit of our Government.

Manufacturers of the East are protected in this bill at the expense of the toiling masses. The protection they ask is largely prohibitory, and it is a fact that luxuries, such as are used only by the rich—diamonds, furs, etc.—are on the free list, while bagging and ties and farming implements, necessities to the people, are on the dutiable list. How was this bill framed, and who fixed the rates? We are told by the gentleman from Virginia [Mr. Swanson], at present a member of the Ways and Means Committee, that many of the rates fixed in the bill were those suggested by the manufacturers of the East representing certain protected industries. Is it right that men interested as these are, many of them members of combines and trusts, should shape legislation, taxing the goods of their competitors; to say how much tariff is necessary to keep foreign goods out of the country? Taxes should be levied only by Congress, and after mature and calm deliberation, not to protect industries, but to raise revenue.

The farmer was not in evidence in the "hearings" before the committee who framed this bill; no hand was lifted, no voice was raised in his behalf, in the "councils of the faithful." Representing a very large percentage of the population of this great country, the farmer, the man who comes in daily contact with the soil, and who delves from morning till night, was not consulted as to what protection he wanted. Yet it has been said on the other side of this Chamber that he had been "true to the faith and to the great apostle of protection." For his devotion he finds his corn, oats, wheat, straw, and vegetables on the dutiable list, when the fact is there is practically no competition from foreign producers of these articles. His corn is burned in the West for fuel and his straw rots in the field for want of a market; and should he seek a foreign market, he will incur the risk of retaliation for the iniquities of this bill. Horses, sheep, and cattle are also protected to help the farmer, when the truth is, horses are lower than ever known; sheep, on which there is a tariff of \$1.50, can be bought for \$1, while cattle hardly pay for feeding. And all of this is done to protect the farmer. How does it protect him? He can not now sell what he has at living rates. Despite all of his devotion to the "Grand Old Party," the farmer of the West and Middle States must be "encouraged" by taxation.

The Southern farmer, than whom there is no class truer or more



patriotic, is unjustly treated in this bill by a duty on cotton ties and bagging, both of which were on the free list under the Wilson bill. Of all farm products, cotton is the most uncertain, both in field and market, requiring nearly twelve months of work and handling, and from which is realized a bare living. It does seem that this great Government might raise its revenues without this additional burden to the already impoverished cotton farmer.

If, as the advocates of this bill contend, it will not raise the price of manufactured articles to the consumer, then how can it raise the wages of the laborer? The truth is it will increase prices of goods and will not raise wages. It will force the consumer to pay the tariff, not into the Treasury, but to the manufacturer. At last the burden falls on the consumer. It has been said on the other side of this Chamber that no section or industry is discriminated against; yet they put a tariff on that which almost every man and woman in the South has to buy—bagging, ties, and farming implements—and refuse to put a tax on the barons of the East. The much-abused Wilson bill would have produced ample revenue had the income tax been permitted to stand. Even after it was eliminated the shortage last year was only \$25,503,047.70, considerably less than the last year under the McKinley bill. If Republicans desire to be fair; if, as they assert, they desire to see every industry and calling bear its proportionate share of the burdens of the Government, let them put in this bill a graduated income tax. Then, indeed, would those who enjoy most the protecting care and blessings of this great Government help defray its expenses and the burdens of taxation fall, "like the dew of heaven," upon all equally. Let them not cloak themselves behind the specious plea of unconstitutionality, for some of the ablest expounders of the Constitution hold it does not violate that instrument.

That the income tax is just, none can deny; that the privileged classes should pay their just quota of taxation, none ought to question. This, however, is what they do not propose doing. They have too long enjoyed the protection of Government, undisturbed by the heavy hand of the taxgatherer, to now stand and deliver their pro rata like ordinary mortals.

Mr. Chairman, this inequality in taxation, this robbing of the poor under the form of law to build up industries, this immunity of the privileged class from support of the Government is wrong, and will in time be resented by a patient and long-suffering people. It was never intended by the founders of this Government that industries should be protected, or that one class should "ride, booted and spurred," over the rest of the people.

All men are equal before the law, and all should equally bear the burdens of taxation. There can be no more just and equitable way of bringing about this equality than through the medium of the income tax.

Our friends on the other side rather plume themselves on the unique features of the reciprocity part of this bill. The meaning conveyed by this word reciprocity, in its ordinary sense, differs from its practical meaning in this tariff bill. Here it is deceptive. However pleasing it may be for us that a foreign nation reciprocates our good will, it is quite another matter that, through reciprocal relations established by the President, the American pork packers are permitted to enter Germany free of duty, in consideration of which the best sugar of Germany is imported into the United States free of duty. This would be a very profitable arrangement for the pork packers of the West, by which their coffers would be filled, but would doubtless have rather a depressing effect on the sugar producer, who, imagining himself protected, would have to compete with the free beet sugar of Germany. Already the pork packer gets a rebate on all imported salt used by him to cure the meat he exports.

Much has been said about the deficit in the Treasury. In December, 1897, Mr. Cleveland, in his message to Congress, said that—

The amount of money annually exacted through the operation of present laws from the industries and necessities of the people largely exceeded the sum necessary to meet the expenses of the Government.

Think of it in the light of the present times. We had more money in the Treasury than was necessary; there was a surplus. It does not seem possible. At the expiration of Mr. Cleveland's first term, March 4, 1889, there was a surplus in the Treasury of \$83,827,190.20 and \$54,207,095.75 to the credit of the national banks; the national debt had been reduced \$250,000,000, and there was a gold reserve of \$100,000,000.

This surplus was turned over to President Harrison on his induction to office.

In 1890 the McKinley tariff bill was enacted. Under its operation Secretary Foster, on February 20, 1893, instructed the Bureau of Engraving and Printing to make preparations for a bond issue, saying that—

In view of pressing contingencies preparation of the designs and plates be hastened in every way possible.

In 1894 the expenditures exceeded the revenues \$69,803,260, and this under the McKinley tariff. The deficit was on before the close of Harrison's Administration and under the McKinley bill. The

question and concern should now be, How can the deficit be remedied? I do not believe relief will ever come to the country under this bill. The factories are now turning out more goods than they can sell. How can they expect to sell an increased output, with the tariff added, when the people can not now buy what they need? The country is overstocked with goods of all kinds awaiting anxiously the dawn of that promised prosperity on the incoming of the new President. It is not on schedule time.

The poor man will be the sufferer under this bill, with money as scarce and hard to get as it now is; but he can have the comfort of knowing, "The Lord loveth whom he chasteneth;" a consoling reflection. He can remember, too, that this bill puts "apatite" and "manna" on the free list. Should it become a law, he may have to resort to the "manna" to stay his appetite, as did the children of Israel, for he will find nearly all of the necessities of life protected, even "cabbage and beans," the latter, I presume, out of deference or reverence to the "Boston baked bean" or the famous "bile bean."

The committee in making this bill seemed to have the same idea I once heard expressed by a gentleman in my section, who said, when told that a new preacher had been sent to his church, "If the good Lord will keep him humble, we will keep him poor." If the Lord will keep the people humble, this bill will keep them poor.

I do not believe it will produce the necessary revenue, because of its prohibitory features.

In my opinion, the remedy for our condition, and what the country wants, is rest from tariff agitation, a return to the money of the Constitution, and an income tax.

#### The Tariff.

#### SPEECH

OR

HON. RUDOLPH KLEBERG,

OF TEXAS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897,

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. KLEBERG said:

Mr. CHAIRMAN: I vote for this bill not because I approve all of its protective features, but because the Democratic district convention which nominated me last fall at Corpus Christi, Tex., declared for a tariff with the same degree of protection upon the raw materials of the South, and especially upon hides, wool, and live stock of my district, as was afforded the manufactured articles of the North, and because that convention further declared in favor of any and all tariff necessary for the economic administration of the Government.

The present law is admittedly inadequate to raise the necessary revenue of the Government and discriminates against the raw material of my district and the South and West generally, and the issue I must meet by my vote is whether I will suffer the present tariff law to remain as it is or vote for this bill which protects wool and live stock in the same degree that it protects manufactured articles, and under the said instructions I am compelled in good faith to that convention and my constituents to support this bill, although I would prefer to vote for a tariff bill formulated by a Democratic majority, and although I may differ with the views of the minority.

The national Democratic platform of 1896 declares for a tariff for revenue justly and fairly imposed throughout the country, without discrimination against classes or sections, and thereby condemns the present tariff law, which discriminates against free raw material, and there is nothing in the national platform which conflicts with my instructions of said district convention, or which prevents a Democrat from supporting this bill, and inasmuch as that the Democracy of my district has declared against free raw material, and especially against free hides, wool, and live stock, I feel it my duty at the first opportunity to vote for a tariff upon wool and live stock which affords the same protection to the producer that is afforded the manufacturer. It may be said that this bill will pass without my support, and that therefore I may vote against it, and thereby strengthen the position of the minority; but I feel that I would be dodging the issue and would be violating my district instructions as much so as if the fate of the bill depended upon my vote and I should vote against it. It is due the Democracy of my district, as well as my constituency, that I take a positive attitude toward this bill, and I mean to do it fearlessly and conscientiously, and in accordance with said instructions as I understand them and the people of my district understand them.

In voting for this bill, therefore, I chose it as a lesser evil than the present law, which is both inadequate to raise the necessary revenue for the economic administration of the Government and which discriminates against the raw material of my district and the South and West, and not because I believe that it will bring about prosperity, as is claimed by the other side of the House. The return of prosperity can only follow deeper reforms; reforms which are vouchsafed in the Chicago Democratic national platform of 1896; reforms which will be brought about alone in the realization of the planks of that platform; reforms which involve bimetallicism through the free and unlimited coinage of both gold and silver at the ratio of 16 to 1 by this nation alone; by a broader, direct, and more equitable system of taxation; by the destruction of trusts and monopolies and the regulation and control of corporations.

Theoretically I would advocate free trade, but practically I conceive it, under existing conditions, not only injurious and detrimental to the best interests of the country, but impossible. We must take conditions as they are and not as they should be, and as long as the tariff affords the only practical means of raising revenue and as long as it carries with it incidental protection, that protection must inure equally, as far as possible, to all classes and all sections. I have done all in my power and shall continue my efforts in securing a tariff on hides; but if I can not get a whole loaf, I must be satisfied with less and accept the bill with a tariff on wool and live stock.

The stockmen, farmers, and business men of my district believe that their interests have suffered under free trade and inadequate protection. They have so expressed their views in the convention which nominated me and the election which elected me as their Representative in Congress, and the highest duty and the utmost good faith alike demand that I prove true to my pledge and maintain the confidence which they have reposed in me. I can serve no higher purpose.

#### The Tariff.

#### SPEECH

OF

HON. ELIJAH B. LEWIS,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 30, 1897,

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. LEWIS of Georgia said:

Mr. CHAIRMAN: Being a new member of the House, and after hearing so many speeches on the tariff by the able members of both sides of the House who have discussed the subject so adroitly and so well, I doubt the practicability, as well as good judgment, in attempting to speak upon the bill under consideration. And I have very serious doubts that I will be able to interest the members who have listened so long to this well-worn subject. But when I think of the great injustice that this bill, when enacted into law, will do the great number of people of the United States, I feel that I would be recreant to the trust imposed in me by a confiding people if I did not enter my solemn protest against the passage of this measure which will further burden an already down-trodden people with greater taxes.

I am anxious to see prosperity in this country. The people are looking and praying for it. And speaking to-day as a Democrat, I can frankly say that if I thought the bill under consideration would bring permanent relief to the suffering, clamoring masses, I would throw to the winds my long-cherished political opinions and join hands with you gentlemen on the other side to pass this bill, and thereby alleviate the suffering of an oppressed people. But your tariff bill will not bring about general prosperity. It is true it will enlarge the profits and income of a part of the people on the one hand, and increase the burdens of the masses on the other hand. Please tell me how a high protective tariff will benefit the great agricultural interests of the South and West? And I am sure no class of people of the United States has been more depressed the last few years than the farmer and those dependent on him. They are not able to buy the necessities of life under the existing tariff and present prices. Then what will be the effect of this bill under consideration on the farmer? He will get no protection on what he produces, but will have to pay higher prices on all that he buys. You have raised the taxes on everything he consumes and wears. Let me take the cotton planter, the great industry of the South. He gets no protection on his cotton whatever; yet by this unjust bill you will make him pay a greater price for his sugar, and all he consumes which gives life; you increase

the cost of all the clothing, hats, and shoes that his wife and children wear; you tax and increase the cost of his trace chains, hames, back-bands, and plows, implements with which he produces the cotton.

But you do not even stop there with your iniquitous tax. You go further, and when his crop is made, and is in course of preparation for the market, you tax the cotton gin as well as the bagging and ties that go around it; the poor cotton farmer is taxed on everything in this world that he consumes, from the matches with which he kindles his fire in the morning, to the close of the day, when he takes his last cup of coffee with sugar in it. I have shown that the cotton farmer is taxed on every item that he buys or consumes, but gets no protection on his own productions. There is not a day in the year that he is not buying or consuming taxed products, while he goes a whole year without getting in return 1 cent from a tariff. At this time, when the farmer is pressed to support his family and keep his head above the water, a great many of them not able to have coffee and sugar every day in the week or to clothe their families as they should be at the present prices of goods and procure such food as they are compelled to buy, you are going to make their lot a harder one by placing a higher tax and making them pay higher prices on what they consume. You can not deny this. The people of the cotton States do not deserve this treatment. They ask no protection, but they do ask that you will not burden and oppress them.

What are the cotton States doing for the consumers of this country? Take last year as a basis, when we made decidedly the shortest crop for the last five or six years. We supplied this country with all the cotton used and exported to Europe \$190,056,460, amounting to one-fourth the exports of merchandise from this country for the fiscal year 1896, thus producing one-fourth of the exchange between this country and the balance of the world. Yet this great producing class is entirely ignored by your bill.

Now, let us see what you have done for the Western farmers, the largest producers of grain, hay, beef, and hog products in the world. You extend to them the empty appearance of a tariff. You do give them a tariff on their corn, oats, and hay products, but what benefit is it to them, when none of these products are imported to this country, but, on the contrary, the Western farmer exports these products to all parts of the world? Let us see what you do for the corn grower. You give him a tariff of 15 cents per bushel on his corn, when the revenue on corn last year was only \$595. This will increase the revenues to be divided out among the entire Western farmers \$189.51 all told. What a burlesque, such cheap and shallow ways to deceive the Western farmer! You make a duty of 25 per cent ad valorem on flour, when none is shipped here. You make a duty on foreign hay of \$4 per ton, when there is no danger of any being brought here. Also a duty of \$1.50 per ton on straw, when the Western farmer burns straw to get rid of it. You simply make your bill cover grain and the products of the Western farmer, which means nothing, senseless as a protection or promoter to his prosperity. When it can not benefit him, please tell us what you do it for? Is it to deceive him, to satisfy him? The Western farmer certainly has too much sense to be caught with any such chaff as this. However, you could benefit the Western farmer by putting a tariff on hides. We find the imports of hides to this country in 1896 were \$10,000,000, but you put them on the free list, permitting the world to ship their hides to this country in competition with the cattle raisers of this country without paying a duty.

I am frank to admit that I appreciate your opinion of the intelligence of the Southern cotton planter, whom I have the honor in part to represent, when you do not attempt to deceive him by placing a tax on cotton, which could not benefit him. But let me ask you why you do not place a tax on long-staple cotton, when you claim to be so anxious to protect every industry of the country, when it is a fact that Egyptian cotton is being imported to the United States in competition with our long-staple cotton? I find that considerable long-staple cotton was imported to this country in 1896; yet you offer no protection, but you do not neglect to protect every manufacturer in this country.

#### POPULATION ENGAGED IN AGRICULTURE.

We find there are engaged in agriculture alone in the United States 8,285,618 people. This does not include gardeners and stock raisers, but those engaged solely in legitimate agriculture. There are 5,091,293 people engaged in manufacturing and mechanics. Thus, we find nearly twice as many people engaged in the pursuits of agriculture as compared with those engaged in manufacturing. But this great number of agricultural people gets no protection, but must contribute its share to protect a smaller number engaged in manufacturing. All tariff legislation is a tax on the farmer, while the farmer does more to maintain the nation than any other class of people in it. They are the great producers of the raw material of the country. Credit is due them not alone for feeding this nation of people, but let me show you what they are exporting each year, thereby creating exchange, or, in return, bringing foreign money back into this country.



## Exports of agricultural products to foreign lands for 1896.

Article.	Value.	Article.	Value.
Cotton .....	\$190,056,440	Provisions—Continued.	
Breadstuffs:		Other meat products.	\$1,889,877
Corn .....	97,336,862	Dairy products.....	6,290,570
Wheat .....	39,709,808	Livestock:	
Flour .....	62,029,217	Horses, cattle, sheep	41,840,969
Provisions:		Total .....	492,967,966
Beef products .....	90,969,306	While the entire exports	
Hog products .....	63,719,661	from United States were	863,200,487
Oleomargarine .....	8,670,174		

This table shows that the South and West furnished nearly three-fifths of the exports of this country.

The farmer furnishes the products that give business to and support the railroads. The farmer furnishes three-fifths of the commerce that is carried on the steamers and sailing vessels to foreign countries, thereby largely sustaining our merchant marine. The farmer creates from these exports three-fifths of the foreign exchange on commercial commodities. The farmer is the first relied on to stop or cure the ills of a panic. When their products go into the market money is immediately put into circulation. What would have become of this country the last few years, when Europe was selling our bonds back here and demanding our gold in return, when the speculator was buying up our gold and shipping it abroad for the profit in it, had not the farmer continued to send abroad exports at the rate of \$500,000,000 annually? Let me ask justice for the great producing class of this country, which can not be meted out to them under the bill that you propose to enact into law.

## WHO PAYS THE TAX?

The Republican party still holds to the old, worn-out theory that the foreigner pays it. This is absurd and without reason. Certainly the consumer pays it. Does not the user of whisky and tobacco pay the revenue tax on these commodities? Most assuredly he does. Then it is just as plain that the consumer pays the tariff duty on all the dutiable goods brought to this country.

In discussing the tariff of 1857, when further reductions were proposed in the tariff bill of 1846, Mr. Washburn, of Maine, said:

The bill would reduce the revenue and help the consumer and producer. It enables the home manufacturer, who uses many of these articles, to sell cheaper than before, and thus carry on a successful competition with foreign manufacturers. It encourages him to go to work, and by so doing tends to increase the production and reduce the price upon whatever he works, while he secures a fair profit to himself.

Senator Sherman, speaking in the same connection, in 1857, said:

All parties agree to the absolute necessity of reducing the revenue. The reduction can only be made in one of two modes, either by enlarging the free list or by reduction of the rates of duty.

## NO NECESSITY FOR INCREASE OF REVENUE.

Why increase the tariff? You tell us that you estimate that it will increase the revenue \$118,000,000 the first year. This is an additional tax on the people. I say to you that it is not necessary. The statement of the condition of the United States Treasury shows that we have to-day \$318,000,000 on hand. Our deficiency last year was only \$25,000,000. I mean to say that the Government paid out that much more money than we received. I believe, with an economical administration of this Government, under the Wilson tariff bill, and with average fairly prosperous times, sufficient revenue would be produced to run this Government. I have shown that, with the same economy as that practiced by the last Democratic Congress, the income under the Wilson tariff bill last year would have been equal to the disbursements. Then why this great hurry to place this additional tax on the people? We take your estimate:

Income from the bill, first year.....	\$113,000,000
Add to it the net cash surplus in the Treasury.....	118,000,000

Making total locked up in Treasury.....	231,000,000
over and above the \$100,000,000 gold reserve.	

What is the necessity of so much money lying idle? It is a wrong principle. It will encourage extravagance and waste.

## DISAPPOINTMENT PREDICTED FROM THE BILL.

But I predict disappointment from your bill. It will not increase the revenues that you expect. On investigation I find the imports of all merchandise from foreign countries to this country as follows, for the—

Year 1895 .....	\$601,673,307
Year 1896 .....	681,579,556

Or a falling off of.....	120,000,751
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Then, if this great decrease occurred last year, both years under the provisions of the Wilson tariff bill, what, may I predict, will be the shortage for the first year under your Dingley bill? I now suggest the opinion that as a revenue earner it will prove, to an

extent, a failure; but, as a protection to the manufacturer and a hotbed for trusts and monopolies, it will prove an unbounded success. However, to the contrary, with the great majority of the people it will prove to be a great detriment. And I warn you that the day will surely come, and it is not far off, either, when your party, that perpetrates this undue burden on the people, will be turned down and cast out of office. The Democratic party entertains correct principles on this most important question, and will surely succeed by the will of the people. You place the responsibility of the past few years of panic and depression on our party. This is not true. The Treasury was running short under President Harrison's Administration, and through his Secretary of the Treasury, Mr. Foster, he had issued a letter calling on the Department to furnish a form of bond to be issued and sold, so as to replace money in our Treasury.

Then go back to the panics, the great number of railroad failures, nearly all the roads in the South going into receivers' hands. Then look back at the great number of strikes and the laborers thrown out of employment all over the North and West. What better evidence that depression and discontent existed all over this land of ours, and that the people were dissatisfied with the Republican party, when, in November, 1892, they elected a Democratic President and Congress by overwhelming majorities. It is true that President Cleveland, under his Administration, did not give the relief that we hoped for, but you must not charge it to the Wilson tariff bill. You must remember that Mr. Cleveland sold the first lot of \$50,000,000 of bonds before the tariff bill was enacted. I believe the continuation of the McKinley tariff bill, instead of the Wilson bill, would have made the last two years of our depression more deplorable. You gentlemen on the other side of the House, in this debate often censure us with President Cleveland's bond issues. This we repudiate. We tell you now for once and all time that his actions did not meet the approval of the Democratic party. While you at one time will taunt us with it, you afterwards applaud Mr. Cleveland and say he did the right thing.

## UNDER WISE PRINCIPLES THERE IS HOPE FOR THE NATION.

Mr. Chairman, under wise principles I have the utmost confidence and the brightest hope for this naturally great country of ours. The greatest opportunities now present themselves. Broad fields of new trade are now open to us. Countries in the past ignoring our great facilities, our great industries, our great intelligence and enterprise, have heretofore recognized only England and Europe as their markets, and have largely traveled the same old ruts for generations. But they are now looking this way for trade connections and exchange of commodities. There is Japan and China, splendid fields for us. Mexico has heretofore gone to Europe. Central and South America right at our door, all on the same continent, yet what proportion of their trade do we get, when this should be their real market? It looks as if Cuba will in time regain her freedom, and I trust the day is not far distant. What a desirable customer free Cuba would be to us! While naming the great territory surrounding us, I must not forget to mention the Hawaiian Islands. Let us seek a liberal share of this trade, thereby building up our shipping industry and our railroads. Then our manufacturing interests will grow without limit, and on a broad and permanent basis. However, this great progress can not be obtained under a high and protective tariff, but strictly on the lines of a low tariff, at all times as low as an economical administration of the Government will admit of.

This country, with 70,000,000 progressive people, with all of the natural facilities at our command, our gold and silver mines, iron and coal mines, our extensive and rich agricultural lands, our great manufacturing interests, has grown to be too great for us to follow protective tariff. That means stupidity. It will stunt the growth of our manufactures, for certainly they will make no effort for trade outside of this country, when they would have to compete with foreign trade, while here at home they are protected on all they sell within our borders. I say that it is perfectly natural, then, that they will limit their output to the demand and consumption in the United States alone, in which trade they are protected against competition. I tell you this will limit our greatness; it will dwarf our nation. Protection that forces all the consumers to patronize their home manufactures, virtually limiting the manufactures to sell only to our home consumers, reminds me of an old story of two snakes fighting. They began swallowing each other, and at the end of the fight only their heads were left unswallowed. It again reminds me of two gamblers locked in a room for a year to gamble with \$1,000 each. They had about the same success, and at the end of the year they were both poor, having had no outside returns. They were compelled to spend each one's share for living expenses.

Now, let this country be broader. Let us not adopt the silly rule of living on each other, but let us be broad, and by a reasonable tariff, equally levied and as nearly as possible just to all. Then let us encourage reciprocity. Let us solicit the trade of every land, and the result will surely be a great nation of manufacturers and producers—a great nation of people.

Fort Years of the Wilson-Gorman Tariff Bill, or Bankruptcy Made Easy by Democratic Legislation and Incompetency.

## SPEECH

OF

HON. WALTER P. BROWNLOW.

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 25, 1897.

On the bill (H. R. 370) to provide revenue for the Government and to encourage the industries of the United States.

Mr. BROWNLOW said:

Mr. CHAIRMAN: The harvest of free trade is the impairment of private and public credit, the laxity of private and public morals, suspension of manufactories, enforced idleness and vagabondage, low wages, general inability to meet obligations, increase of individual and public debts, decadence of educational interests, shrunken values, the balance of trade on the wrong side of the ledger, a depleted Treasury, universal distress, and widespread bankruptcy.

The harvest of protection is money—good and plenty—general obedience to law, constant employment, increasing demand for labor, high wages, low prices for family supplies, rich rewards of agriculture, strong educational development, diversified and multiplied industries, private and public credit, good values, natural conditions of trade and business, increase of national wealth, a full Treasury, balance of trade in our favor, and peace, contentment, happiness, and independence for the masses.

There is one fact unalterably fixed in American history. It admits of no successful denial. It is so patent that "he who runs may read, and the wayfaring man, though a fool, need not err therein." It is a principle of governmental science that is recognized to a greater or less extent in the polity of every prosperous and progressive nation of the earth. As wealth increases, civilization advances, and taste, refinement, and education enlarge the possibilities of human effort and man's capacities for enjoyment, this principle becomes more and more the *sine qua non* of good society and good government. Government is composed of integers, and it is a proposition evident to the common intelligence as well as the student, thinker, and economist, that whatever conduces to the comfort, happiness, and prosperity of a majority of these integers, or, to use the trite and felicitous phrase, "the greatest good to the greatest number," must redound to the grandeur, glory, strength, and permanency of the nation itself, and that measure or set of measures which secures these results must certainly be correct in theory and beneficent in practice. This is the crucial test of all suggestions of statesmanship enacted into law.

The principle to which I refer and shall attempt to elaborate is a

## TARIFF OF PROTECTION.

and its varied and countless blessings, permeating all conditions of society, constitute the dominant, unquestionable fact that it has been the chief factor in the marvelous development of this country.

Tariff taxation is the least offensive and burdensome of all schemes to raise revenue. Its machinery is concealed from the public eye. Its operation is as silent as the march of the stars and the distillation of the dew. It establishes no espionage over the private affairs of the people. It sends out no taxgatherer with a distress warrant in one hand and an auction hammer in the other. It imposes its burdens upon the rich, the class able to bear them. It is the only governmental feature that has the least sympathy for the unfortunate; for while the occupant of the cabin pinned to the hillside, hid in the mountain gorge, or flecking the solitude of the Western frontier, under our free institutions, is as potential a factor of our body politic as the iron king or the owner of a railroad system, he knows not what it is to pay tribute to the national exchequer. There is no exaction upon his simple tastes and habits save that of his local government. His freedom and citizenship are without a burden as far as regards Federal jurisdiction. A protective tariff is not like the water that turns the mill wheel, leaving never to return, but rather like the fruitful soil, restoring in bountiful harvests an hundred fold more than it exacts.

The bill under consideration, formulated after a prolonged, careful, nonpartisan, and nonpolitical investigation and study of our industrial conditions and the varied needs and demands of the whole country, is the crystallization of financial and economical wisdom and the very

## GENIUS OF EQUITABLE ADJUSTMENT.

It doubtless has some faults and imperfections; it may be tintured to some extent by a compromise between conflicting opinions and judgments; still, in its entirety, it is the substance, and not the mere shadow, of what the large majority of American voters demand and what the unequalled depression of every material in-

terest requires. It is a rift in the dense cloud of gloom that has hung for four years over nearly every American home. It is a sign of returning life to the dead body of American enterprise. It is a prophecy and promise of restored confidence and prosperity.

From the close of the war in 1865 to January 1, 1879—a period of nearly fourteen years—there were insurmountable obstacles to real, substantial progress and development. The clash of arms had ceased, but sectional passion and hate were no less bitter and vindictive. The moral laxity produced by the war carried its demoralizations far into this period. The stream of national life was covered with the drifting wrecks of old systems. It was the reign of fictitious values, and the country was cursed with reckless speculation and the uncomputed evils of a depreciated currency. The States that composed the fallen Confederacy were in ruins, their fortunes had been swept away in the effort to establish their quixotic schemes, their wealth producers had become freemen, and they had no stock and implements to cultivate their lands and no money with which to buy them. And still, with all these hindrances, no other fourteen consecutive years of the country's history prior to the great struggle witnessed such rapid accumulation and advancement. How could the country prosper under such a concurrence of misfortunes and serious conditions?

## PROTECTION TO AMERICAN INDUSTRIES

is the solution of the problem. Industrial enterprises of every kind were running on full time, and the opportunities for labor at remunerative wages were practically unlimited. Ironmasters and mill owners found ready sale for their wares, and farmers had a good market for all their products. Honest speculators had no reason to complain of their gains. The groundwork of the new era of industrial activity and material progress had been laid when the year 1879 arrived. It was solid achievement of the Republican policy of a protective tariff. The indebtedness of the Government, in the meantime, was constantly decreasing, and the times were "rotten ripe" for what did occur—the resumption of specie payment.

This was the sword that cut the Gordian knot in the harness which fettered the Republic, and in her new zeal and refreshed strength she bounded forward, "rejoicing as a strong man to run a race." Uncertainty and apprehension disappeared. With settled values, business rose to a Nile flood. A dollar was a dollar, worth 100 cents, no matter what the shape, size, or material of the token. Gold and silver came tumbling from their hiding places into the stream of the circulating medium. Money was abundant in all sections and for all purposes. The contented and prospering farmer, out of the steady inflow of his gains, improved his lands, bought the finest strains of stock, educated his children, purchased the best literature, and built larger barns and a more commodious residence, with all the appointments of modern taste and elegance. The thrifty housewife, though not a queen of a gilded drawing-room of fashion, whose laces of silk, embroideries of linen, and tapestries of silver and gold curtain a fairy's court, had a happy home to whose elegance, comfort, and luxury she in no small measure contributed with the product of her own industry. Young men, with the fire of ambition in their hearts and plenty of cash in their pockets, left the older States to buy cheap lands, build homes, and found new States in the empire of the West. The standard of the public school was elevated, its curriculum enlarged, and its field of usefulness broadened to meet the educational necessities of the common masses. Churches and educational institutions were built in every section of the country, universities and colleges were endowed with fabulous sums, and money was poured out without stint to found and sustain charitable, moral, and religious enterprises. Business organizations and combinations of capital fearlessly embarked in ventures whose magnitude and cost were appalling to those with conservative inclinations. It was an era of railroad construction, leaving no section of importance without transportation facilities, and the carrying of farm productions one way, merchandise the other, and millions of travelers both ways, rewarded these railroad investments with handsome dividends. It was unexampled, universal activity, and unexampled, universal prosperity. Idiocy or insanity would have been pronounced of any man who dreamed of a deficit in the Treasury or suggested the idea of a private or open bond deal to maintain the reserves and uphold the credit of the nation. The public debt was reduced to a mere fraction compared to its original size, and the end of it was in sight. The national wealth had increased from thirty-two billions to sixty-five billions. This is history. Such was the independence, glory, and promise of this nation when

## THE OCTOPUS OF FREE TRADE

threw its long and fatal tentacles around its resources and prosperity, paralyzing its energies, crushing its hopes, and changing the fruit of its peaceful victories into bitter ashes. Aside from the loss of life, the devastation was more complete than that wrought by the havoc of the civil war. The losses sustained directly and indirectly were greater than the cost of all the wars in



which this country has engaged. Fires out in the furnaces, closed mills, silent factories, cities and towns unable to feed and house the hungry and shelterless, women and children beggared and in helpless want, the highways crowded with tramps whose tatters covered armies of skilled and willing workers, billions hoarded in the vaults of the cities and no money in the pockets of the masses, the national debt constantly increasing, bond deals to meet current expenses, the country in the hands and at the mercy of money sharks, woe on every side, and wails from every quarter. Bank failures were an everyday occurrence, there was a general feeling of dread and insecurity in financial circles, and one man's paper was about as good as another's. Values slumped to almost nothing, and the accumulations of years disappeared in a day. Such was the sad and distressing conditions brought upon the people and the nation by the enactment of

#### THE WILSON LAW.

A strictly partisan measure, ostensibly passed to lighten the burdens of the people and at the same time to provide an ample revenue for an economical administration of the Government, it signally failed to accomplish its purpose, as "Cheap John" statesmen and economists had declared that it would. Coddled as a choice measure of reform by a party held together by the cohesive power of an inordinate greed for office, it proved a Pandora box of disasters unequalled and unutterable. And the four years these plagues were upon the land will be known in the annals of the future as the "black period of American history."

The Wilson law, conceived in sin, shapen in iniquity, brought forth in crime, its accoucheurs blind to the interests and manifest destiny of this great country, rocked in the cradle of fanaticism and nurtured upon the pabulum of party heresy and rancor, it was entirely within the natural order of things that it should become the prolific parent of immeasurable evils. It was an incendiary, applying the torch of destruction to the substance of the people. It was a robber, snatching clothing from the backs and food from the hands of the toiling masses. It was an evictor, driving men, women, and children into the woods and highways. It was a riot breeder, filling the streets with frenzied mobs yelling for work, bread, or blood. It was a monster, gorging itself upon the distresses and woes of a submerged people, in comparison with which the ancient Minotaur of Crete that fed on Athenian youths was a patron saint.

An inscrutable Providence permits nations to scourge themselves as well as each other, and this accounts for the blind infatuation that betrayed and misled the majority of American voters when they placed the Democratic party in charge of our national affairs in 1892. Intoxicated with the power so long withheld from them and in the insanity of their zeal to show themselves the masters of the situation, with precipitate fury and reckless abandon they addressed themselves to the task of obliterating every vestige of the Republican policy and legislation that had brought the country triumphantly through its most trying ordeals and added to that deliverance processes of recuperation and resources of wealth that secured incomparable prosperity and of substituting in their stead measures of reform and relief in consonance with Democratic maxims and the accepted standards of Democratic statesmanship.

#### THE REACTION WAS QUICK AND CRUSHING.

Industrial prostration, paralysis of business, financial distress, and private and open deals in bonds, representing \$262,000,000, to cover Treasury deficits and to keep the machinery of the Government in operation. There was no modification of these untoward conditions until the Democratic banner went down in ignominious defeat last November. The people repented of their folly in sackcloth and ashes, and prayed the God who emancipated ancient Israel for deliverance from a living death and the restoration of the possibilities and opportunities from which they had so blindly and perversely turned away. An answer to these fervid and persistent appeals came in the election of a Republican President and Congress.

With its return to power new, vast, and momentous responsibilities devolve upon the Republican party. It has to clear away the wreckage left as the monumental proof of either the incompetency or dishonesty of Democratic statesmen. It has to lay a restraining power on the cruel conditions that held the country in their destructive thrall for the last four years. It has to remove the cloud upon the public credit. It has to break the despotism of a syndicate of bond sharks who made fabulous fortunes out of our national calamities and through the devious processes of Democratic mismanagement. It has to renew the energies and rekindle the hopes and aspirations of a crushed and impoverished people. It has to recoup the losses of the past four years and repair the desolation wrought by the havoc of the free-trade heresy. It has to assure the brave defenders of the Republic that their service shall be substantially remembered, and that they shall have as a compensation for the increasing infirmities of advancing age the deserved bounty of a grateful Government. It has to cheer and brighten the home of the dead soldier's widow

and dependents by the guaranty that the affliction in the loss of their natural protector and breadwinner shall in some measure be modified. It has to protect the weak against the encroachments of the strong and the poor against the despotism of corporate power and organized greed. It has to provide opportunities for labor and possibilities for the aspiring and ambitious. It has to relight the fires in the dead furnaces, set the wheels to humming, the spindles to whirling, and the looms to beating time to the rhythm of industry's glad, new song. It has to revive trade and restore business confidence and the régime of the wise and prosperous years between 1879 and 1893. In all its declarations the Republican party stands pledged to achieve these possible results, and will not be deterred from their complete accomplishment by the Democratic

#### HUE AND CRY OF PATERNALISM.

The Republican party recognizes the conservation and promotion of the people's interests as the paramount function of government. It makes vigorous and aggressive war against all tendencies to party aggrandizement to the detriment of the public service. In the phenomenal emergency now upon the country, and directly produced by the blight and curse of Democratic maladministration, it is determined to reinstate that measure of tariff taxation whose wisdom and efficiency are attested in the happiness, affluence, and general advancement of the people.

Comparisons may be odious, but they perform a wholesome service in determining the relative merits and demerits of the matters compared. The Republican party courts a close and honest investigation of the results of protection in direct connection with those of its old antagonist.

Under protection financial, commercial, and industrial disturbances were rare, of short duration, and attended with no serious results affecting the general public. Under "tariff reform" disaster followed disaster in all departments of business, inflicting universal injury, and there was no day without a collapse and a panic. Failures, if they spread dismay, elicited no surprise and but a passing comment, and the general query was, "Who next, and what next?" Under protection there were no Treasury and bond deals. Under "tariff reform" Treasury deficits was the unchanging status and bond deals the regular order of business. Under the McKinley law, that "crowning iniquity" which was so offensive to our Democratic friends, and who exhausted their stock of curses in damning it to everlasting infamy, the revenue was sufficient to meet every Government demand, and until overthrown by a Democratic Administration it annually enlarged the volume of circulation with the comfortable sum of \$48,000,000. Under a "tariff for revenue only," its immediate successor, there was a deficit of \$181,801,914. The total Treasury receipts during the first thirty months of the McKinley law were \$916,621,050, and during the first thirty months of the Wilson-Gorman law they were \$763,438,751; loss in thirty months under the Democratic "tariff for revenue only," \$153,182,299. During the first thirty months of the McKinley law the customs receipts were \$487,959,564, and during the first thirty months of the Gorman-Wilson law they were \$381,731,978; loss under a Democratic "tariff for revenue only," \$106,227,586. During the first thirty months of the McKinley law the internal-revenue receipts were \$380,066,716, and under the Wilson-Gorman law \$336,728,475; loss under a "tariff for revenue only," \$43,338,241.

These cullings from the records of the Treasury are striking and eloquent. They compass the whole matter. They appeal to the sober sense and dispassionate judgment with the inexorable logic of actual facts, which are certainly more convincing than the current and cunning sophistries of "tariff-reform" advocates and free-trade economists. They should settle at once the fierce and prolonged contention between protection and a "tariff for revenue only." This brief excursion into the field of statistics discovers to us the cause of the

#### DEFICITS AND BOND DEALS

during the unfortunate Administration of President Cleveland and the addition of \$262,000,000 to our national debt, which would have been decreased by twice that amount under the skillful financial management which always characterized Republican administrations. We now discover the prolific source of the ills of our woes.

Protection means the utilization of idle forces, the full compass of natural advantages, solid progress, constant and sturdy growth, the selection of the fittest and most useful, better methods, an adequacy of sound currency, every convenience of exchange, a harmonious adjustment of all interests, increased opportunities for the safe and profitable investment of capital, the most liberal encouragement to labor, diversified industries, a free internal commerce, ascending planes of thought and purpose, higher ideals of patriotic consecration, broader conceptions of individual and collective responsibility, new fields for the explorations of science, a friendly and generous competition within our own borders and not with the enslaved pauper labor of the outside world, a nationality made strong and invulnerable by the courage, aspiration,

and intelligence of its citizenship, and a civilization constantly in quest of richer acquisitions. It means the subversion of barren idealities, mere makeshifts to tide over present emergencies, and the expedients resorted to by demagogues and place hunters to deceive and mislead the electorate, to gain the dubious honor of a party triumph, and to subserve selfish ends. It means the extirpation of sectional jealousies and prejudices and the imperishable integrity of a common country. It means the establishment of a merchant marine that shall cover the seas and be inferior to that of no power in equipment and capacity. It means that in all the elements of strength, greatness, and beneficence ours shall lead the way for the nations of the earth. It means that this land shall be the almoner of Heaven's most precious gifts to man and the final arbiter of the political destiny of the world.

The past is valuable only for the lessons it teaches and the treasures of wisdom it leaves to the future. It has reared along its course signals to warn us of snares, delusions, dangerous pitfalls, and fatal follies. It has graven on its monuments a full history of its successes and defeats. It has handed down to us a complete chart of the way that leads to national blessing and aggrandizement. If we take it as our guide and counselor, it will lead us through the present gloom and distress to the rich fruitions which have crowned the Republic in its best and brightest days.

#### PROTECTION HAS PASSED THE EXPERIMENTAL STAGE.

In my humble judgment full recovery and permanent immunity can only be achieved by following with unflagging zeal and unwavering fidelity distinctively Republican lines. The bill under consideration is a repetition of the McKinley tariff that went into operation the 6th of October, 1890, and by comparing its wholesome effects with the disastrous results of the free-trade law which the present bill seeks to repeal we shall have an earnest of the immeasurable good that will accrue if it is enacted into law.

I have already shown the relative effects of the McKinley and Wilson-Gorman laws as regards the public revenues, and now I propose to go into some details and show their relative influence upon the business interests of the country.

#### SUMMARY OF FARMERS' LOSSES FROM JANUARY 1, 1893, TO JANUARY 1, 1896.

I here submit a brief summary of the aggregate losses to farmers in the slump in the value of their leading crops and in their live stock during these four years:

##### Depreciation in annual farm values.

	Value.		Total values.	
	1891.	1895.	1891.	1895.
Corn.....per bushel..	40.6	36.4	\$236,439,228	\$567,500,106
Wheat.....do.....	83.9	80.9	513,472,711	237,908,908
Oats.....do.....	54.8	44	25,642,000	11,964,826
Rye.....do.....	81.5	76.9	222,312,267	163,553,068
Cotton.....per pound..	8.6	7.6	297,377,014	259,164,640
Hay.....per ton.....	8.30	8.35	411,110,000	368,185,615
Potatoes.....per bushel..	67.3	56.6	59,475,000	78,984,901
Wool.....per pound.....	17	9	52,258,256	20,486,705
Barley.....per bushel..	54	33.7	40,500,000	29,812,419
Buckwheat.....do.....	53.4	45.2	6,948,000	6,900,325
Tobacco.....per pound..	8.4	7.2	40,000,000	35,574,000
Total.....			2,539,434,476	1,610,712,597

Annual loss on crops in four years, \$728,721,879.

##### Depreciation in live-stock values.

	Value per head.		Total values.	
	Jan. 1, 1893.	Jan. 1, 1896.	Jan. 1, 1893.	Jan. 1, 1896.
Sheep.....	\$2.50	\$1.70	\$116,121,270	\$55,167,735
Swine.....	4.00	4.35	241,691,415	186,529,745
Milk cows.....	21.40	22.55	351,878,132	363,965,545
Other cattle.....	15.16	15.86	570,749,155	598,928,416
Horses.....	65.01	63.97	1,007,593,636	600,140,196
Mules.....	75.55	45.29	147,882,070	103,294,457
Total values.....			2,401,735,678	1,737,926,064

Annual loss on live stock in four years.....\$733,829,594

Annual loss on crops in four years.....728,721,879

Total annual loss to farmers.....1,462,551,473

And to be added to these appalling figures is a similar depreciation in the value of dairy products, eggs, fruits, poultry, nursery stock, the products of truck and seed farms, and the rice crop. At the same ratio, the losses of the farmers in the years 1893 and 1894 will swell the aggregate to a greater amount than the cost of the war. Is it any wonder that the stricken and helpless wealth producers, who saw their hard earnings melting away like snow in a summer's sun, reverted to the era of their marvelous prosperity under the protective tariff fathered by President McKinley, and earnestly worked and enthusiastically voted for its reinstatement?

Is it any marvel that they wanted their own products and all other products of American industry safeguarded against the blighting curse of the free-trade heresy?

#### WHOLESALE CUT IN BRIEF DETAIL.

In order to a clearer insight into the iniquitous workings of the Gorman law and the causes that have produced the impoverishment and oppression of the American farmers, I submit the following table of statistics, comparing the prices of farm products in 1892 and 1894. The report of these market prices was prepared by Bradstreet's, an authority whose trustworthiness is unquestioned in the business world:

	Prices January 1—		Loss under free trade.
	1892.	1893.	
BREADSTUFFS.			
Wheat, No. 2, red winter, in elevator... per bush..	\$1.05½	\$0.89	\$0.36½
Corn, No. 2, mixed, in elevator.....do.....	.52	.345	.17½
Oats, No. 2, mixed, in elevator.....do.....	.39½	.25½	.14
Barley, No. 2 (Milwaukee).....do.....	.57½	.325	.25
Rye, Western.....do.....	.86½	.45	.41½
Flour, straight winter.....per barrel..	4.50	3.20	1.30
LIVE STOCK.			
Beeves, best native steers (Chicago).....per 100 lbs..	6.00	4.75	1.25
Sheep, prime (Chicago).....do.....	5.40	3.50	.90
Hogs, prime (Chicago).....do.....	4.15	3.70	.45
Horses (Chicago).....per head..	150.00	70.00	80.00
PROVISIONS.			
Beef, carcasses (Chicago).....per pound..	.068	.055	.01½
Hogs, market pigs, carcasses (Chicago).....do.....	.06	.05	.01
Mutton, carcasses (Chicago).....do.....	.077	.055	.02½
Milk (New York).....per quart.....	.04	.038	.002
Eggs, State, fresh (New York).....per dozen.....	.29½	.24	.05½
Lard, Western steam.....per pound..	.06½	.056	.01
Butter, creamery, State, best.....do.....	.29	.23	.06
Cheese, choice East factory.....do.....	.11½	.10	.01½
Rice, domestic, good.....do.....	.05½	.04½	.01
Beans (New York), choice marrow.....per bush..	2.10	1.475	.62½
Peas, prime (New York).....do.....	1.22½	1.275	.05
Potatoes, Eastern.....per 100 pounds.....	1.12½	.70	.42½
Onions (Connecticut), red.....per barrel..	2.00	.85	1.15
Wool (Ohio and Pennsylvania).....per pound..	.28	.19	.10

\* The only advance.

These decreases of \$1.25 per 100 pounds in cattle, of 45 cents per 100 pounds in hogs, of 90 cents per 100 pounds in sheep, of 2½ cents a dozen in eggs, of 6 cents a pound in rice, of 62½ cents a bushel in beans, of 42½ cents a bushel in potatoes, of \$1.15 per barrel in onions, of \$1.30 per barrel in flour, of 41½ cents in rye, of 25 cents in barley, of 16½ cents in oats, of 17½ cents in corn, of 36½ cents in wheat, of 10 cents a pound in wool, and of \$90 per head in horses mean multiplied millions out of the pockets of the American farmers. They mean that they must forego the gratification of their intellectual tastes, give up luxuries and comforts, and live upon the stint of rigid economy.

Competition in a home market with the pauper labor products of foreign countries was the immediate cause of these ruinous decreases, bringing down our own products below the cost of their production. Do not these undeniable statistics explode the free-trade argument that the policy of protection affords no benefit and advantages to the farmers? A little reflection should convince a reasonable and intelligent man that shutting out foreign products will build up a better home market for our own supplies, which are always more than sufficient to meet the demand. Besides, this policy of prohibition keeps our own labor employed, maintaining constant activity at business and industrial centers, where good wages are paid and the operatives can afford to bountifully supply their tables. Here is the incontestable evidence that the royal welcome that our Democratic friends have extended to the foreign agriculturist has practically destroyed our home market in the reduction of the price of our home supplies, and affording no compensation for the loss. It is within the line of the present argument, and I will note it now at the risk of repetition, to refer to the Democratic contention that under a free-trade policy the United States can capture the markets of the world. In view of the terrible fact that she can not hold her own, the proposition strongly resembles idiocy or insanity. This claim has proved itself to be a delusion and a snare, the veriest rot; for in 1895, when the Wilson-Gorman law was in full operation, foreign nations bought a great deal less of American farm products than they did in 1892, when we had the protection of the McKinley law.

#### SOMETHING SWEET.

Sugar has become the prime necessity of every American home, as much so as salt. It requires immense quantities to supply the demand. The McKinley law, to put it within reach of the poorest by making it cheap and abundant, placed raw sugar on the free list, taxed the refined one-half cent a pound, and to encourage



its production in the United States gave a bounty of 1 cent per pound. January 1, 1892, the refined sugar was 4 cents a pound. The Gorman law taxed the raw sugar 40 per cent and the refined 40 per cent and one-eighth cent per pound. This raised the price of sugar to 5 cents per pound January 1, 1896. In 1892 a bushel of wheat bought 26½ pounds of sugar, and 13½ pounds in 1896. In 1892 a barrel of potatoes bought 28 pounds, and 14 pounds in 1896. In 1892 a bushel of corn bought 13 pounds, and 7 pounds in 1896. In 1892 a bushel of oats bought 10 pounds; in 1896 not quite 5 pounds. In 1892 a dozen eggs bought 6½ pounds; in 1896 not quite 5 pounds. In 1892 a bushel of beans bought 53½ pounds, and 25½ pounds in 1896. In 1892 a barrel of onions bought 60 pounds, and 17 pounds in 1896.

These should be intensely interesting figures to the farming class. They show how they were protected by the McKinley law and how they were fleeced by the Gorman iniquity.

The protection bounty of 1 cent per pound on sugar was attended by surprising results. In 1890 the crop of Louisiana was 180,000 tons. Under the protection of the McKinley Act the crop of that State in 1896 mounted up to 350,000 tons, almost double. In 1890 the product from beets was 3,000 tons, and 30,000 tons in 1894, a tenfold increase.

A more striking illustration of the benefits of protection and the ruin of the Democratic doctrine of free trade can not be found.

#### WOOL.

This country is specially adapted to sheep husbandry, and can raise enough of wool to clothe her own people and millions more. The tax levied by the McKinley Act gave the industry a wonderful impetus. The woolgrowers were greatly encouraged, they purchased the finest strains for the improvement and increase of their flocks, and at vast expense they prepared themselves to carry on the industry on a stupendous scale.

The American flock master had the upper hand of his foreign competitor in his home market. He could sell his crop to the American mills at a profitable figure, and his mutton was clear gain; the grade of the wool was superior, and the cloth into which it was manufactured was of the best quality. But a change came in 1894. The prosperity of the industry disappeared in the general wreck of American enterprise. The foreign woolgrower displaced the American flock master in his own market. What he should have had jingled in the pockets of the woolgrower in the United Kingdom, France, Germany, South America, China, and other countries. Sheep and wool had gone down in price one-half. The balance was transferred to the wrong side of the ledger. Mr. John Bull, the venerable prophet and high priest of free trade, as long as his own interests are not interfered with, was the chief master of the situation; without let or hindrance he could dump the whole Australian wool clip, because he is the first mortgagee of the Australian sheep farms, on the American market and fill his pockets with American gold by the operation. During the McKinley tariff the average annual importation of wool was 133,647,812 pounds, valued at \$16,951,276. In 1895, when the country was just beginning to realize the glories and beauties of the Wilson-Gorman law, that put all grades of wool on the free list, the importation of wool was 248,889,317 pounds, valued at \$33,770,159. It is safe to assert that the flock masters of the United States have lost the comfortable sum of \$40,000,000 by the free-trade-in-wool policy of the Democratic party. This gold crossed the waters never to return, and is now scattered, a free gift from the Democratic party, among the foreign wool-producing nations. What a mighty help these forty millions would have been in paying the obligations of American debtors and canceling the mortgages on their farms. Whilst the American farmer is shearing his sheep, the foreign sheep raiser, with the Democratic shears of free trade, is shearing him, and he certainly realizes the fact when he remembers that he got 60 cents a pound for his wool under the McKinley law of protection, and now under the Gorman Act of oppression and repression less than one-half of this amount is the top of the market.

In 1893, when Cleveland was inaugurated the second time, the wool crop was 364,000,000 pounds. When he was returned to power, with a Congress in full sympathy and cooperation with him, the country was sure that the threat of free trade would be carried into execution. This feeling had a most depressing effect upon the wool industry. The purpose to put wool on the free list was declared at the beginning of his Administration, and the sheep raisers realized the fact that their harvest was about over. The price of wool began to decline rapidly and the owners began to put their sheep into the markets for mutton, so that the crop in 1894 shrank to 328,000,000 pounds, in 1895 fell off to 264,000,000 pounds, and in 1896 fell off in a corresponding proportion. In the first two years of Cleveland's Administration the decrease amounted to 100,000,000 pounds, inflicting a loss of \$60,000,000 to the American people. This decrease in the home clip had to be made up by importing foreign wool, or the American mills had to discharge their operatives and shut down. In consequence of this necessity

the wool importation enlarged from 55,000,000 pounds in 1894 to 250,000,000, an increase of nearly 500 per cent.

It has always been the contention of the free traders that the effect of free wool would be to so reduce its price that woollen fabrics would not be adulterated by cheap admixtures. This is mere claptrap. In the last fiscal year of Harrison's Administration, closing June 30, 1894, the importation of shoddy was 175,744 pounds, and in the next fiscal year, ending June 30, 1895, under the Wilson-Gorman law, the importation of this adulteration was 14,772,690 pounds, an increase close in the neighborhood of 1,000 per cent. In 1895 the American mills were stocked up with 20,000,000 pounds of shoddy. In 1896 the Democratic Administration dealt in shoddy, waste rags, and other rascally adulterations on a still more stupendous scale. Whilst the free-trade fanatics were cutting prices in two, destroying values, annihilating the revenue, spreading universal dismay and ruin, and making an unconditional gift of American wealth and prosperity to foreign nations, they were introducing the shoddy era into the history of our country that will long be remembered for the cheat and worthlessness of its woollen fabrics. There is one pet and unctuous argument that the free traders never fail to advance, and they so discount the popular intelligence as to expect that it will be accepted as sound and correct. Upon it they "ring the changes" and sound every note from the sharp, dry chirping of the cricket to the deep bassoon of the frog. This contention is that the cost of clothing is enormously reduced by free wool, on the false assumption that the tax on wool and woollen cloths is added to the cost of the domestic goods. It is a patent fact to all familiar with the trade in the last ten years that there has been no decline in the price of clothing that does not fully correspond with the general shrinkage of all values. The cost of wholesaling, retailing, and transportation has not been reduced, at least to an extent to be felt by the final purchaser. If there has been a reduction in the cost of clothing, the difference between the old and new rule of prices is more than covered by the difference between the honest manufacture under the McKinley Act and the shoddy substitutes under the Wilson-Gorman law. And so it is that one of the chief necessities of civilization, that contributes so largely to the comfort and health of society from the millionaire to the day laborer and which has been such a prominent and reliable factor in the accumulation of our national wealth, was not safe from the ruthless hands of the free-trade fanatics.

#### TRUCK FARMING.

For the labor and capital employed, truck farming has been the most thriving and profitable division of agricultural industry in the manufacturing and populous sections of the country. The population of towns and cities was mostly composed of busy workers engaged in the varied pursuits of labor. Their principal living came from the truck farms, and it was impossible to glut the market with truck-farm products. These farmers were never discouraged by cheap prices. The increase of industrial enterprises called for more wage earners and consumers. The census of 1890 shows that the product value of the truck was \$76,517,155, and 240,893 persons engaged in the occupation—a yield of over \$300 to each person. The manufacturers of boxes, barrels, baskets, fertilizers, farming implements, the owners of transportation lines, and commission merchants shared in this prosperity. This industry has suffered in a corresponding degree with all other interests from the ravages of free trade. Had the McKinley law been left in undisturbed operation the value of the truck-farm products would soon have reached \$150,000,000 annually, the force employed would have been doubled, with a corresponding gain to those indirectly connected with the industry. I cite this industrial enterprise, small and insignificant as it may be comparatively, to prove that the benefits of protection do not go entirely, as our Democratic brethren so persistently claim and would have us believe, to trusts and combines of wealth and power organized under and protected by a paternal government. There is no employment that will be more munificently rewarded, when protection is restored and the dead enterprises of the country thrilled with new life and vigor, than that of truck farming; and, owing to the efficient contrivances for the safe handling of its products and the facilities of cheap and rapid transportation, every section of the country can engage in this branch of agricultural pursuit and will be immeasurably benefited.

#### LABOR.

Labor, so sensitive and responding so quickly to the conditions of trade and business, is the barometer of the nation's status. There is no infallible guide of determining the wisdom or impolicy of legislative measures regarding finance and revenue save their effect upon the working classes. They are the real producers of wealth and are entitled by every consideration of justice and equity to a liberal share of the earned increment in the way of profitable employment. When they have an abundance, are contented with the lines that have fallen unto them, and have

the cheer and hope and promise that unrestricted opportunities for labor always impart, the business of the country is on a safe basis and the general well-being of the nation is assured. When cruel conditions are forced by unnatural causes, when legislation is directed to the dountearing rather than the upbuilding of business interests for the mere sake of the fruits of a partisan victory, when uncertainty and dread hover over industrial enterprises, when the relations between capital and labor are disturbed by the pernicious agitations of demagogues and anarchists, when the laboring classes are driven to desperation by beggary and loss of employment, it is then that ruin takes the place of prosperity and agony the place of happiness. In the last eight years we have been taught the lesson that national progress and advancement are guaranteed only by a religious regard for the inalienable rights of labor and a vigilant protection of its interests, and that blight, decay, and woe will certainly come when labor is crushed and its God-established claim to sympathy and help denied or ignored. The McKinley law, which was equity, justice, and statesmanship in the concrete, glorified the history of this country with its brightest, happiest, and most prosperous era, brief as was its duration.

This law stimulated the productive energies of this country to an extent that has never been equaled. This development was a revelation of American possibilities that was surprising and alarming to rival nations. It was the declared purpose and function of the law to honor, dignify, and reward labor, the most potential factor in the production of our national wealth, and the glorious results that followed vindicated its wisdom and beneficence beyond all controversy, at least in the light of our recent experiences. The Wilson-Gorman law, the most perfect piece of free-trade mechanism constructed, proved an electric paralyzer of labor. It spread a Dead Sea stagnation over the industries of the whole country. It left its fatal blight upon every enterprise in which the bread winner had the least interest as a toiler. It transferred the patronage of this country from its needy and deserving workmen to the paupers of foreign countries. It sent American prosperity on a voyage to regions yet undiscovered with the command to never return. Under the McKinley Act the constant cry was for more laborers. No man had to waste time and money hunting for employment. Employment hunted him. The establishment of new industries kept pace with the increase of the working population. Under the free-trade Gorman slaughter act one-half of the working class were turned out of the shops and mills and discharged from the railroads and public works, and all except those who found employment in the fields, becoming producers instead of consumers, and thereby reducing the price of farm products, have been living on public and private charity.

#### PROTECTION A DEBT EXTINGUISHER; FREE TRADE A DEBT CONTRACTOR.

In 1866 the interest-bearing debt of the United States, in consequence of the war, was \$2,333,331,208. From this time to 1892, when the people changed the complexion of the Administration from Republican to Democratic, embracing a period of twenty-seven years, protection to American labor prevailed. Under this policy the Republican Administrations decreased this debt by the payment of \$1,747,301,330, and meeting at the same time the accrued interest. The balance of this debt in 1892 was \$535,029,330. In 1893, the year of Cleveland's second inauguration, the interest-bearing debt was \$583,034,260, and on March 1, 1896, it had increased to \$822,615,170 under the operations of the Gorman law. The financial representative of the free-trade President, who presided over the affairs of the Treasury Department, had not paid a dollar of this indebtedness in a literal sense, but Cleveland and his free-trade coadjutors in the swift destruction of the revenues and the prosperity of the country had added \$237,590,910 to it. The average annual decrease of this debt during the twenty-seven years of protection was \$64,714,884, and the average annual increase of this debt during the free-trade period when Mr. Cleveland was directing the destinies of this great country was \$79,193,637. The average Republican monthly decrease of the debt from 1866 to 1893 was \$5,701,114.77. The average Democratic monthly increase of the debt from 1893 to 1896 was \$7,502,921.28.

Mr. Harrison, with his protection Administration, lessened the debt by \$224,819,730.

Mr. Cleveland, with his free-trade Administration, increased it by \$237,590,910. Not this alone; this eminent Democratic statesman and leader, "called to be an apostle of tariff reform," and who had led the gallant and enthusiastic cohorts of Democracy to glorious victory in two hotly contested campaigns, was compelled, on account of the ruinous effects of his revenue policy, to sell bonds to meet the current expenses of the Government. And not this alone; in his secret negotiations for the sale of the first bonds, amounting to \$100,000,000, he further dishonored and humiliated this proud and opulent nation by placing it in the thrall of a syndicate of foreign capitalists.

The marked reduction of the national debt under the Harrison Administration is the more surprising and gratifying from the

fact that the McKinley Act had taken the duty off of sugar and the reciprocity clause had put on the free list a large number of articles that are not produced in this country, thereby lessening the revenues about \$40,000,000 a year. The vaunted sagacity and fertile ingenuity of the apostle, prophet, and priest of low tariff, who has just been retired to the "innocuous" obscurity and elegant leisure of private life, "pale their ineffectual fires" before the splendor of this achievement.

#### FOOT WEAR.

Boots and shoes are a considerable item in family expenses. When the Wilson-Gorman tariff law came in, their champion revenue reducer and industry destroyer, our overjoyed Democratic friends, their idea being that the consumer pays the tax, assured the wage earners that they would now have cheaper foot wear. This was true as to quality, but not as to price. Foreign factories dumped their poor goods on the American market. Notwithstanding the reduction from the McKinley duty of 5 per cent, boots and shoes constantly advanced in price, and at the close of 1895 they were 12.6 per cent higher than they ever were under the McKinley Act. The theory that the consumer pays the tax was forced to an inglorious retreat before the comparative conditions of this trade. The people had to pay higher prices for the finished iron product, for cotton goods, and woolen clothing, notwithstanding wool was on the free list, and a correspondingly advanced price for boots and shoes. The average increased price of all these necessities in 1895 was 38.3 per cent.

#### TIN PLATE.

Notwithstanding the general use and incessant demand for the finished product, no tin plate was manufactured in this country prior to the adoption of the McKinley tariff in 1890. This act called into existence 188 mills, employing 40,000 hands, and in five years added \$32,000,000 to our national wealth. Had it not been for the encouragement and support of protection this important industry would never have been established, and these \$32,000,000 would have gone to the owners of the tin-plate works in England and Wales, a total loss to our people. The manufacture of tin plate in the United States closed nearly one-half of the mills in these two countries in 1894. The Wilson-Gorman free-trade law brought this new and flourishing industry to the verge of ruin. Foreign tin-plate manufacturers lowered the price of their product, forcing American manufacturers to cut down wages 35 per cent. Through the kindly offices of "a tariff for revenue alone," that constant and vigilant friend of the laboring man, this army of 40,000 workmen, with their 200,000 dependents, were robbed at the ratio of 25 cents to the dollar.

#### THE EFFECT OF FREE TRADE AND PROTECTION ON THE IRON INDUSTRY.

Copious details are not necessary to bring out this object lesson and I shall content myself with a single illustration, founded on the leading item of iron production. Prior to 1870 Great Britain almost entirely supplied American railroads with their iron equipment. The ironmasters of that country had an exclusive monopoly of this trade, because of the low tariff on rails and the low wages paid British laborers in comparison with those of American laborers engaged in the same occupation. The protectionists, then in power, convinced of the unlimited possibilities of this industry and of its incalculable importance to this country as a wealth producer, levied a specific duty of \$28 per ton, and the amazing results of this protection even surpassed the wonderful increase in the wool industry. In the year 1870 only 30,000 tons of steel rails were manufactured in this country, and the infant industry had grown into such proportions that 1,386,277 tons were made in 1888, and from 1877 to 1890, inclusive, 16,763,116 tons, enough to equip 100,000 miles of railway, besides over 20,000,000 tons of steel ingots for other purposes of industry. Out of this enormous production the American ironmasters got a profit of \$340,000,000 and \$1,500,000,000 were distributed in wages among the laborers engaged in this industry in twelve years. The pertinent and interesting question is, Did the workingmen suffer poverty and distress under this régime of protection? Had the counsel of our free-trade friends been followed, that \$340,000,000 of profits would have enriched the English ironmasters instead of the American, and that \$1,500,000,000 of wages would have been distributed among British laborers instead of American. This one case represents the whole history of the development of the iron industry.

#### THE EFFECT OF FREE TRADE ON RAILROADS.

The annual average of railways constructed under the protection Administration of Mr. Harrison was 4,678 miles. Under the free-trade Administration of Mr. Cleveland the annual railway construction was 2,173 miles, a decrease of over 50 per cent. The annual average of railway earnings per mile under the Harrison Administration was \$2,095 and under the Cleveland Administration \$1,784. Dividends decreased from 1894 to 1895 about 13 per cent. In 1893 there were 873,602 persons in the employment of the railroad companies and 779,401 in 1894. The threat of free trade caused uncertainty and alarm among capitalists, and this



lead to great commercial depression in 1894. The stroke fell seriously on the railroads in the heavy reduction of freight and passenger patronage, and they were forced to the strictest economy in the performance of their service. In that year near 100,000 employees, about 46 per cent of the whole force, were dropped from the pay roll and were compelled to seek other employment, and in most instances without success.

#### FREE TRADE AS A CRIME BREEDER.

There is an important social phase to the tariff question which will readily appear when the statistics of crime are examined and analyzed. In 1892, the last year of Harrison's Administration, the murders in the United States were about 6,800. In 1894 they had increased to 9,800, and in 1895 they reached the fearful number of 10,500. In 1892 there were 3,860 suicides, and in 1895 the number reached 5,759. During Cleveland's Administration homicides and suicides were increased by 50 per cent. The crimes against property show an appalling increase. Forgery, defaulting, embezzling, and other forms of larceny, in addition to murder and suicide, were about the only active industries under the tariff-for-revenue-only system of the last Administration. The defalcations under the Cleveland Administration show an increase of over 65 per cent over the defalcations under the Harrison Administration. These statistics, which are gathered from the official records of the country, are eminently suggestive, showing how financial stringency and industrial depression stimulate crimes of every description.

#### IMPORTS AND EXPORTS.

In this important department of business we find a corresponding loss and decadence.

There was the difference in our imports during the last three years of the Harrison Administration and the first three years of Cleveland's Administration of \$208,263,258 in favor of the former.

There was the difference in our exports during the last year of Harrison's Administration, when the McKinley law was in full operation, and the last year of Cleveland's first Administration, of \$334,823,641 in favor of the former.

The exports during the last year of Harrison's Administration exceeded the exports in 1895, when the Wilson-Gorman tariff "law of perfidy and dishonor" was in full swing.

Contrasting our total foreign trade during the last three years of Harrison's Administration with the total foreign trade during the first three years of Cleveland's last Administration, we find a difference of \$433,506,989 to be placed to the credit of protection.

The total exports during the first three years of Cleveland's Administration fell short of those during the last three years of Harrison's Administration \$225,243,711.

In 1894, when we had eight months of protection and four months of the Wilson-Gorman revenue killer, the balance of trade in favor of our country was \$180,999,175, and in 1895, when we had unadulterated "tariff reform," this balance was reduced to \$6,149,211. This ratio holds its own throughout the comparison between Harrison's Administration and Cleveland's last term.

The languishment of our foreign trade is one of the many fascinations with which our Democratic friends have invested their pet scheme of economically administering the Government.

#### A MOST IMPRESSIVE OBJECT LESSON.

That free trade is a sure and swift agency of destruction to all our material interests, and the protective feature of our revenue laws has been a mighty force in the upbuilding and enrichment of the nation, in the creation and expansion of the opportunities of labor, and in the securing of the greatest good to the greatest number, becomes evident when we trace the history of tariff legislation from the foundation of the Government to the present time.

During the period from 1783 to 1790 the tariff charge was from 2½ to 5 per cent, with absolute free trade at many ports of entry. This was a period of enforced idleness and industrial prostration.

Even the money, which at that time was of little worth, was extremely scarce. Universal poverty intensified the distress and dissatisfaction of the people. After a seven years' war for freedom and a new nationality they were almost ready to conclude that the ills they were suffering were more grievous than those against which they had successfully fought. Debts were piling up, with no present or prospective ability to meet them, and the treasuries of the Federal and State governments were virtually empty. Spurred by the sufferings of the people and the necessities of the Government, the ingenuity of statesmanship devised a plan of relief whose essence was the principle of protection.

In 1791 a tariff law was passed with average duties of 20.17 per cent, with the protective feature. Good money became abundant, opportunities were created for labor, industries multiplied, the areas of agriculture were enlarged, commerce increased, thrift took the place of poverty, contentment the place of dissatisfaction, and the brightness of noonday the gloom of midnight. Debtors had no difficulty in meeting their obligations. The new Government, growing with such marvelous rapidity, had accumulated a surplus revenue, though it had prosecuted a second successful war

with the "mother country." These prosperities continued until 1816.

In this year a tariff was levied with average duties of 26.864 per cent on an ad valorem basis for revenue only. The enactment was attended with the usual incident of undervaluation, causing an enormously increased importation of foreign manufactured goods, which commanded high prices, and a corresponding increase of the prices of farm products. Enforced idleness had returned to plague and distress labor. Sheriffs were kept busy selling property executed for old debts, whilst new ones were constantly accruing. The volume of currency shrank from \$110,000,000 to \$45,000,000, property values decreased, and the balance of trade was in favor of other nations, with a deficit in our Treasury. The industrial distress and paralysis of business continued until 1824.

In 1825, with a wholesome quickening of their sense of responsibility and duty to the people, the national lawmakers enacted a protective tariff with average duties of 36.05 per cent. The tide of fortune changed at once. The young Republic bounded to its feet with its vigor refreshed and its ambition renewed. The long nights of dread, dismay, and distress passed away in the radiant dawn of a morning of promise and cheer. There was a marked decline in the importation of the high-priced product of foreign factories. The home manufacturer supplied the principal part of the clothing of the people. The foreign tradesman gathered his spoil alone from the fastidiousness and extravagance of our rich spendthrifts. The opportunities for labor were renewed and increased in the general revival of industry. Timid capital came out of its hiding place and sought investment. Constant employment for every toiler and an abundance of good money enabled the people to pay their debts and accumulate property. The revenue was sufficient to promptly meet every demand upon the Government. The great increase in taxable values came to the relief of the States struggling with debts and deficits.

But the fateful year of 1833 brought a sudden and unexpected revolution in our industrial system, and the distress, anarchy, and chaos invariably consequent upon a wanton violation of the natural law of national development followed with its cumulative calamities. Through the insane agitations of the fiery Hotspurs and blind fanatics of the South, slavery, notwithstanding the safeguards that had been thrown around it by the laws, became a leading political question, overshadowing all other issues and monopolizing the attention of the country. Free trade, under the championship of John C. Calhoun, whose power for evil was commensurate with his tremendous intellectual force, selected this potential factor of danger as its chief ally, in the hope that it might succeed through the sectional division and estrangement produced by this issue. The ad valorem plan of revenue tariff was reestablished mainly through the instrumentality of the South Carolina fire eater and nullificationist. The average duties were 17.13 per cent, a cut of more than one-half from the preceding tariff. The protection feature was entirely erased. It was a measure for "revenue only," pure and simple. The country was swept with the besom of destruction. Its enterprises were hurled as so many shells under a trip hammer. Its largest and most solid business concerns had no more power of resistance against the flood of disasters than so many card houses against the violence of a Western cyclone. Our manufacturers, unable to cope with the competition from the rascally undervaluation of imports and the increase of labor-saving machinery in Europe, were forced to stop operations and close their doors. The prices of farm products were lower than ever experienced, and kept company with pauper wages; but the destruction of industry robbed the masses of the means to purchase the common necessities of life. There was no bustle, activity, and sign of business energy, except in the soup houses established to feed the idle and starving workmen driven out of employment, and the patronage of these institutions of private and public charity was always in excess of their resources. Every day witnessed the incurrence of debts with the resources to pay them constantly contracting. The States were unable to meet the interest on their obligations and current expenses. There was a perplexing and alarming deficiency in the National Treasury, and on account of the impairment of the public credit money could not be borrowed at home or abroad. This state of affairs continued until 1843, resulting in a panic that stands a grim and gloomy monument amid the abounding prosperities that have blessed the country during its protection eras.

In that year a tariff with specific duties averaging 24.895 per cent was levied for protection purposes. The result was electrical. The country threw from its freed limbs the ashen sackcloth of woe and to songs of cheer began afresh the work of carving out a glorious fortune. The wails of despair changed to the symphonies of hopefulness and industry. The languor of idleness was exchanged for the exhilaration of toil. Emancipated labor returned to profitable employment in the mine, forest, factory, and field. Immigration thronged our welcoming shores. Money again was worth its face, and business confidence again replenished the arteries of trade. The magic of the new prosperity

"touched the dead corpse of the public credit, and it sprung upon its feet." There was a surplus revenue, State and national. It was an era of money-making for the masses, and the people and the Government wiped out the obligations standing against them. The American soldier had been to Mexico on a mission of conquest, had planted "Old Glory" above the historic halls of the Montezumas, and added an empire of incalculable resources to our national wealth. But this period of national and individual prosperity, up to that time unprecedented, was terminated by the Walker tariff in 1847. This "tariff for revenue only" was a very decided improvement upon all the preceding Democratic measures of its kind for the destruction of American industry and prosperity. Its duties averaged 23.49 per cent, without any margin for protection. It closed the doors of our mills and factories and filled our markets with foreign goods. It was the old-new story of low wages, idleness, want, accumulating debts, and crushing deficits. The emigrant ships came over empty and went back loaded with workmen returning to their old homes. Again the soup house became a fashionable institution, "the shadow of a great rock in a weary land." It was the only sign of life in a scene of universal decay and barrenness. Gold and silver was locked from the starving and poor, and the currency was the wildcat issues of State banks, a prototype in value and desirability of Confederate money in the last days of the "Lost Cause." American securities were dropping down the scale of values dangerously near zero, and commercial failures were as regular as the rising and setting of the sun. The conditions within and without were unusually favorable to American prosperity, and under protection this ten-year period would have been one of the golden eras of American history. Rich gold deposits had been discovered in California, a fearful famine was devastating Ireland, and the Crimean war was fought. The wheat areas had not been opened in India, the agriculture of Europe could not feed its swarming populations, yet notwithstanding the extraordinary demands for American products from these causes, the balance was against us by nearly \$400,000,000. Under Buchanan's Administration the Democrats revised this iniquity "for revenue only," cutting down the tariff duties to 15.16 per cent. The current of ruin now flowed on with an augmented volume. The severities of the panic were intensified. Broken banks and collapsed enterprises was the daily record of the business world. The circulating medium had disappeared, individual credit was gone, and manufacturers could not operate their plants for the want of funds and patronage. This produced idleness, vagabondage, and suffering far greater than existed during the period between 1847 and 1857. American securities dropped lower and lower, and up to 1861, under the Democratic free-trade Administration of President Buchanan, nearly the whole stock of American gold and silver had been transferred to the money centers of Europe.

From 1862 to 1871 we had a protective tariff whose duties averaged 36.13 per cent. This was an unbroken period of national and individual prosperity, though there were many formidable conditions in the way of this phenomenal growth and development. The most powerful and thoroughly organized rebellion in history was suppressed, requiring an army of nearly 3,000,000 men, which was gathered mostly from the industrial avocations, and which ordinarily would have lessened the productions of the country, but under the stimulus of protection and the resulting good prices they were astoundingly increased. The manufacturers and farmers enlarged their operations to meet the constantly growing demands for their products, and as a consequence labor commanded high prices and employment was constant. A financial system was devised, the best the world has ever seen, that afforded an abundant, sound, and satisfactory currency. The wisdom and efficiency of this measure is attested by the fact that every description of issue provided by it is now as good as gold. There was no lack of money for the people, and no approach to deficits in the State and Federal revenues. The recuperative energies of the insuppressible French were surpassed by the swift recovery of the American people from the effects of a civil war that shook the very foundations of the world.

In 1872 the tariff came again to the top with the grim severity of Banquo's ghost. The average of duties was reduced to 27.34 per cent and there was a 10 per cent reduction affecting almost the entire schedule of customs duties. This was the free-trade régime in a modified form, but still it was charged with mischief and evil consequences to our industries. Values could not be maintained, the market was glutted with foreign goods, causing a suspension of our own mills and factories, with its sequence of idleness and distress. Commercial failures were frequent and a reduction in revenues and an increase in the public debt followed in the train of disorders. The order for the resumption of specie and the increase of the average of tariff duties to 29.1 per cent afforded a moderate measure of relief. A gradual recovery from the panic of 1873 began, greenbacks went to par in 1879, there was a renaissance of industry, and again the golden tide of prosperity

spread over the land. In 1884 the tariff was again revised with an average of duties of 29.86 levied for the purpose of protection, the buoyancy of business continued, wages were fair, and there was no lack of employment. The rates of interest were moderate, money lenders considerate and accommodating, and abundant revenues exceeded the demands upon the Treasury. When the McKinley tariff came in in 1890, with its strong protection feature in a duty average of 23.33 per cent, the effect was magical and instantaneous. Prosperity was recoronated amid the plaudits and rejoicings of the people. Every man had a will to work, for the certain profits were alluring. There was no uncertainty and fear about the Government revenues. There was an abundance of money, and it was all at par. Such an inviting and profitable field was opened up to manufacturers that a number of foreign firms transferred their factories to our country. Peace, contentment, and happiness pervaded all ranks of society. The farmers enlarged their areas, and the returns of bountiful harvests filled their purses with cash and their homes with cheer. The devastated South, struggling heroically to recover from the waste of war, felt the bounding pulsations of a new life as the gold of Midas fell into her outstretched palms. She shared proportionately in the benefits of the money-making period. Investors, men of business experience and sense, had explored her fields and had taught her people, religiously devoted to hog, hominy, and cotton, the profit of diversified industries, which she had in abundance the material to maintain, and she had made a respectable preparation for the happy and glorious conditions that the McKinley law of protection had introduced.

I would not be a sectionalist if I could and could not if I would, but when I compare the census of 1880 with the census of 1890 and realize the phenomenal growth of the South under the stimulus of protection in agriculture and education, in railroad and manufactures, in capital, wealth, and population, I am free to say that I would support the bill under consideration did it benefit the South alone without injury to other sections of the country. This comparison shows an increase of population of 2,917,984, or 19.9 per cent; an increase of actual wealth of \$3,653,815,635, or 62.5 per cent; a decrease of State debts of \$21,735,126, or 18.4 per cent; increase of total State revenues of \$13,233,394, or 100 per cent; and increase of banking capital of \$79,115,670, or 80.1 per cent; an increase of railway mileage of 21,546, or 110.1 per cent; increase of capital invested during the ten years, \$2,339,170,000; increase of men employed in railroading, 102,481, or 118.8 per cent; increase of cost of railroad equipment, \$689,096,740, or 110.9 per cent; increase of the number of manufactories, 22,151, or 64.2 per cent; increase of capital invested in manufactories, \$372,117,670, or 135.2 per cent; increase of the value of the product of manufactories, \$427,941,496, or 135.2 per cent; increase of cotton mills, 173, or 107.4 per cent; increase of the value of the products of cotton mills, \$37,831,418, or 231.4 per cent; increase of the value of cotton-seed products, \$19,348,915, or 267.1 per cent; increase of the tons of pig iron produced, 1,393,891, or 480.9 per cent; increase of tons of steel produced, 178,245, or 4,121 per cent; increase of tons of coal produced, 13,715,906, or 362.9 per cent; increase of the precious metals, \$487,613, or 218 per cent; increase of the total value of minerals, \$31,965,595, or 218 per cent; increase of the value of the lumber output, \$66,441,949, or 183.4 per cent; increase of the value of forest products, \$77,019,738, or 163.8 per cent; increase of acres of land cultivated, 22,872,284, or 33.1 per cent; increase of value of agricultural machinery, \$153,277,500, or 79.2 per cent; increase of bales of cotton produced, 2,002,540, or 3.6 per cent; increase of the value of the cotton raised, \$81,743,094, or 32.6 per cent; increase of the value of fruit, \$25,536,227, or 171 per cent; increase of the value of farm products, \$373,027,855, or 69.0 per cent; increase of the value of live stock, \$195,838,255, or 54.1 per cent; increase of the number of schools, 22,337, or 50.1 per cent; increase of the number of teachers, 24,863, or 50.5 per cent; increase of the number of pupils enrolled, 1,304,553, or 67 per cent; increase of school attendance, 589,406, or 56.9 per cent; increase of school revenues, \$9,160,315, or 161.6 per cent.

Even this amazing development was surpassed in the years 1891, 1892, and 1893 under the quickening impulses and richer awards of McKinleyism, which the free traders are wont to felicitously describe as "the crowning crime of repression and wrong."

Providence, in the distribution of her blessings and benefits, most graciously favored the South. She gave her such a gloriously genial climate that outdoor labor is never interrupted by rigorous winters or prolonged seasons of rain. She placed her outside of the path of destructive storms. She laid the floor of her valleys and plains on limestones and phosphates. She filled her hills and mountains with marble, coal, iron, and every other deposit of the family of valuable minerals, and over them spread illimitable groves of the finest and most useful woods.

Every prospect pleases, and only man is vile.

The fields of the South, too fair and fertile to be scorched by the dirocco of free trade, plead with the eloquence of earnestness and anxiety for the opportunity to yield their copious treasures to the uses of man. Her virgin forests, waiting for the ringing ax of



the woodman, are impatient to pour their awakened melodies into the concert of industry's new song. Her mines listen for the stroke of the delver's pick, eager to uncover their boundless wealth to an astonished world. Her rivers, rolling in idle beauty to the sea, long to become Merrimacs, jeweled with Lowells and Manchester. The border of Southern natural wealth has barely been touched, and its storehouse of treasure awaits the coming of the explorer, capitalist, and laborer. Absorbed wholly in agricultural pursuits, and although producing eight-tenths of the cotton crop of the world, the larger part of which was exported to feed the looms of foreign factories, to her own inconceivable hurt and to the injury of American mill owners, the South has received but little benefit from protection compared to the sections of the older East and the younger West. And now the large importations of the long staple from Egypt and other foreign countries are seriously menacing the American staple. Genial climate, an exhaustless abundance of raw material, and a water power sufficient to drive the machinery of the world, thus avoiding the tremendous expense of steam appliances, with the aid of protective duties will gem the South with manufacturing centers and build up markets that will require the entire crop of farm products.

What excuse can we offer for dallying and procrastination when industries are languishing and perishing all around us, when the agencies of recuperation and increased wealth are unemployed, when the cruel conditions imposed by free trade are crushing the life out of the people and destroying their substance without compensation, and naked and hungry want is lifting its skeleton hands in piteous appeal for immediate rescue and relief?

Our own observation and rough experiences discover to us the line of duty, and the concrete wisdom of past generations of practical statesmen and masters of political economy point out with crystal clearness the path of safety and deliverance in this period of greatest suffering and depression in the history of this country. These opinions and judgments are of peculiar force and emphasis at this time.

Speaking in reference to the adoption of the Federal Constitution, Mr. Mason said:

The people of this country demand a union stronger than the confederation for the very purpose of shielding home industries from the prostrating assaults of foreign competition through the regulation of commerce with other nations, so as to check or to prohibit the importation of commodities that interfered with the growth and prosperity of domestic manufactures, and so as to give native productions an impetus which would develop all the resources inherent within the boundaries of the nation essential for the supply and consumption of the population for all time. No fact is more securely established than this.

In the debate on the first tariff bill in 1779, Fisher Ames, one of the most brilliant and learned men in that Congress, in the course of his profound argument, used this language:

I conceive, sir, that the present Constitution was dictated by commercial necessity more than by any other cause. The want of an efficient government to secure the manufacturing interest and to advance our commerce was long seen by men of judgment and pointed out by patriots solicitous to promote our general welfare.

Bancroft, the accuracy of whose historical statements can not be challenged, said:

The necessity for regulating commerce (that is, for providing a proper tariff) gave the immediate impulse to a more perfect Constitution.

Daniel Webster, whose lucid interpretations of the Constitution no man has ever successfully combated, made this declaration in a speech in Albany, N. Y., in 1844:

I defy the man in any degree conversant with the history, in any degree acquainted with the annals of this country from 1767 to 1789, when the Constitution was adopted, to say that protection of American labor and industry was not a leading, I might almost say the leading, motive, South, as well as North, for the formation of the new Government. Without that provision in the Constitution it never could have been adopted.

In colonial times, and during the convention, the idea was held up that domestic industry could not prosper, manufactures and mechanic arts could not advance, the condition of the common country could not be carried up to any considerable elevation, unless there should be one government to lay one rate upon imports throughout the Union; regard to be had in laying this duty to the protection of American labor and industry.

On this same subject the illustrious Rufus Choate said:

A whole country, a whole generation of our fathers, had in view, as one grand end and purpose of their new Government, the acquisition of the means of restraining by governmental action the importation of foreign manufactures for the encouragement of manufactures and labor at home; and desired and meant to do this by clothing the new Government with this specific power of regulating commerce. This whole country, with one voice, demanded to have inserted in the Constitution the power to enact protective legislation, a power which they held as another declaration of independence—a power by which they were able to protect all our children of labor. This power must not be surrendered, must not sleep, until the Union flag shall be hauled down from the last masthead—a sight which I trust neither we nor our children to the thousandth generation are doomed to see.

The conclusion is inevitable that those who adjusted the machinery of our Government, the wise and heaven-directed framers of the Constitution—that immortal document which is the golden girdle of the Union—regarded protection as the inspiration of our free institutions and the bed rock of our national development and prosperity.

In referring to our nation as "a free people," this meaty and significant paragraph occurs in President Washington's first annual message:

Their safety and interest require that they promote such manufactures as tend to render them independent of others for essentials.

Thomas Jefferson, the alleged founder of the present Democratic party, and whose memory the free traders profess to revere so greatly and gratefully, used this plain and spirited language in reference to protection:

The general inquiry is, Shall we make our own comforts or go without them at the will of a foreign nation? He, therefore, who is now against domestic manufactures must be for reducing us either to a dependence upon that nation or to be clothed in skins and live in caves and dens. I am proud to say that I am not one of these. Experience has taught me that manufactures are now as necessary to our independence as to our comforts.

The prohibiting duties we lay on all articles of foreign manufacture, which prudence requires us to establish at home, with the patriotic determination of every good citizen to use no foreign article which can be made within ourselves, without regard to difference of price, secures us against a relapse into foreign dependency.

My own idea is that we should encourage home manufactures to the extent of our own consumption of everything of which we raise the raw material.

James G. Blaine, the famous author of reciprocity—a piece of diplomacy that has saved this country hundreds of millions of dollars—and who was one of the most studious, observing, and biggest-brained statesmen of his time, said, in referring to the McKinley tariff:

The benefit of protection goes first and last to the men who earn their bread in the sweat of their faces. The auspicious and momentous result is that never before in the history of the world has comfort been enjoyed, educations acquired, and independence secured by so large a majority of the total population as in the United States of America.

In 1869, three years before he was the Democratic candidate for the Presidency, Horace Greeley, the Nestor of the American press in his day, and who, notwithstanding his eccentricities and vagaries on many other questions and the incongruities of his record as a Republican, was a profound sage and a sound political economist, in a carefully prepared editorial for his paper, declared:

Our signal years of disaster and depression have been those in which our ports were more easily flooded with foreign goods; those which intervened between the recognition of our independence and the enactment of the tariff of 1779; those which followed the close of our last war with Great Britain, and were signalled by immense importations of her fabrics; those of 1837-1842, when the compromise of 1833 began to be seriously felt in the reduction of duties on imports, and those of 1864-1867, when the Polk-Walker tariff had had time to take full effect.

In 1816 John C. Calhoun, that true and tried Democrat whom the Democracy of the South followed with the same consuming devotion that the French battalions followed Napoleon, in a strong speech in favor of a protective tariff, said in the course of his invincible argument for this policy:

When our manufactures are grown to a certain perfection, as they will under the fostering care of Government, the farmer will find a ready market for his surplus product, and what is of almost equal consequence, a certain and cheap supply of all his wants. His prosperity will diffuse itself to every class in the community. It (a protective tariff) is calculated to bind together more closely our widespread Republic and give greater nerve to the arm of Government.

Andrew Jackson, the autocrat, idol, and now the patron saint of the Democratic party, in 1824, then a United States Senator, declared:

Providence has filled our mountains and our plains with minerals—with lead, iron, and copper—and given us a climate and soil for the growing of hemp and wool. These being the greatest materials of our national defense, they ought to have extended to them adequate and fair protection, that our manufacturers and laborers may be placed in a fair competition with those of Europe, and that we may have within our country a supply of those leading and important articles so essential in war. We have too long been subject to the policy of the British merchants. It is time we should become a little more Americanized, and instead of feeding the paupers and laborers of Europe, feed our own; or else in a short time by continuing our present policy (the tariff for revenue only of 1816) we shall all be rendered paupers ourselves. It is my opinion, therefore, that a careful and judicious tariff is much wanted.

President Jackson, in his annual message, December, 1832, in referring to the happy results of eight years of protection under the tariffs of 1824 and 1828, said:

Our country presents on every side marks of prosperity and happiness unequalled, perhaps, in any other portion of the world.

Daniel Webster, speaking of the marvelous benefits of the same tariffs, declared:

The relief to the country was profound and general, reaching all classes—the farmer, the manufacturer, the shipowner, the mechanic, and the day laborer. The change was as great as was wrought when Hamilton smote the rock of public credit and abundant streams of revenue gushed forth.

Speaking of this prosperous era under the protective system, Henry Clay made this declaration in the United States Senate in 1832:

On a general survey we behold cultivation extended; the arts flourishing; the face of the country improved; our people fully and profitably employed; the public countenance exhibiting tranquillity, contentment, and happiness; its public debt of two wars nearly redeemed; and to crown all, the public Treasury overflowing.

These deliverances, embalmed in imperishable history, of our most eminent students, thinkers, economists, and statesmen, whose spirits hover over this fierce battle for and against American enterprise and industry, for and against national prosperity and independence, are nuggets of wisdom that we can not afford to subtract from our store of political knowledge; they are counsels that we can not safely esteem of little value or wholly ignore.

The protectionist has testimony "piled Pelion upon Ossa" from living statesmen and economists the world over, who have made the science of government the exclusive study of their lives, with which to fortify his contention, but I shall content myself to cite the utterances of but two.

Prince Bismarck, the leading political philosopher of Europe, and who infused life and soul into the dream of German unity, testifies to the glory of our country and the wisdom of our protective policy in the following language:

The success of the United States in material development is the most illustrious of modern times. The American nation has not only successfully borne and suppressed the most gigantic and expensive war of all history, but immediately afterwards disbanded its armies, found work for its soldiers and marines, paid most of its debt, gave labor and homes to all the unemployed of Europe as fast as they could arrive within its territory, and has done all this by a system so indirect as not to be perceived, much less felt. Because it is my deliberate judgment that the prosperity of America is mainly due to its system of protective laws, I urge that Germany has now reached that point where it is necessary to imitate the tariff system of the United States.

The chosen ruler of 70,000,000 of freemen, who thoroughly realizes the exacting duties of his high station and most keenly feels the tremendous weight of responsibility upon him, charged as he is with the trust of delivering this distressed and burdened country from the bondage and ruin of free trade, President McKinley, who though much younger in years and experience than many of his contemporaries, is the most perfect master of political economy and governmental science in this generation, has engraved these felicitous words on the tablet of American history:

With me protection is a conviction, and not a theory. I believe in it and warmly advocate it, because enveloped in it are my country's highest development and greatest prosperity; out of it comes the greatest gains to the people, the greatest comforts to the masses, the widest encouragement for manly aspirations, the best and largest rewards for honest efforts, and a dignifying and elevating citizenship, upon which the safety and purity and permanency of our political system depends.

We now have the convincing testimony that protection is the science of fact and not of assumption, the verdict of test and not a vagary of speculation.

The pending bill commands my admiration, confidence, and support in that it is a marked advancement of the protection standard, a most signal improvement of the protective system, resulting from growing intelligence and enlarged experience, and in all its adjustments is formulated to meet the present grievous and humiliating conditions.

I shall vote for the pending bill because it is the selection of the best and the fittest, guaranteeing an equality of benefits to all sections and classes; because it will throw safeguards around the weak, extend a hand of deserved help to the struggling, and kindle new hopes in the hearts of despair; because it will attract by the opportunities and possibilities it will open up to human exertion, not the pauperism, scum, and riffraff, but the best labor and intellect of all lands; because it will stimulate the productive energies and intellectual forces of our own nation; because it will be an unflinching guaranty against the large harvest of perils and disasters that our country has experienced in every departure from the sound principles of free government; because it will maintain our honor, credit, and independence, and secure immunity from the perils of foreign influence; because it will arm our own industries and capital against the invasion of foreign labor and wealth; because its reciprocity clause, insuring fair and not free trade, the invention of the most richly dowered intellect that ever graced the galaxy of American statesmen, will enlarge our commerce and conquer the domain of the seas; because it will insure protection against the iron barons of England, the lumber forests of Canada, the wheat fields of Russia, India, and the Mediterranean, the flock masters of Great Britain, France, Germany, Australia, and China, and the cotton kings of Egypt and other countries, where British capitalists have opened wide areas for the production of cotton for the main purpose of destroying the industry in the United States; because it will arrest the decay that is ravenously feeding upon the strength of the Republic and rectify the disorders and evils that are bringing ineffable reproach upon our name; because it will be a godsend to the South, torn and shredded by the storms of war and wrecked in fortune, bringing her compensation for all her past woes and misfortunes; because it is warranted and positively demanded by the needs of a depleted Treasury occasioned by the havoc of Democratic "tariff reform," and because I am firmly convinced that if the present unwise and inadequate revenue law is allowed to remain on our statute books the country in a few years will be completely overwhelmed in financial chaos and anarchy and the masses reduced to the helpless and hopeless degradation of the lowest classes in despotic Europe.

### The Tariff.

A borrowed "surplus" is a liability rather than an asset. It is a bad corner stone for the edifice of business confidence.

### SPEECH

OF

HON. JOHN F. LACEY,

OF IOWA.

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 23, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. LACEY said:

Mr. CHAIRMAN: We have thus far in this debate repeatedly heard the same inquiries that have been made by our opponents ever since the election: "Why did not prosperity come immediately upon the election of Major McKinley?" The other day when the rule was adopted limiting the time of this debate we heard appeals from the opposition to give them more time. They said in substance: "We have an abundance of time; we have met here in the middle of March and we can stay all summer." So with one breath they ask us, "Why don't you hurry up your prosperity?" and with the next they say, "Give us abundant time for debate; there is no hurry."

Mr. Chairman, the situation is too serious for any very long-continued debate. They ask us to "open the mills" promptly, but to be as slow as possible about the legislation which is needed to accomplish that much-desired result. To open the mills we must repeal the bill that closed them. They want the cure, but want to delay taking the medicine. We can not control the movements of the tariff bill after it passes from this House, but we can emphasize to the country the necessity for prompt action, as speedy as may be consistent with the prudent consideration of the bill that is now before us. The national situation presents a twofold problem. First, there is a question of revenue, and second, a question of currency. I am one of that number who have faith to believe that with a sound condition of our revenue system there will be little difficulty in our currency.

In fact, it is by no means sure that when the breach in the Treasury is repaired the currency question will not disappear.

The generation that has grown up since 1862 never saw any currency that was not founded upon the national Treasury, either directly or indirectly. The currency system of this country has had a solvent Treasury to back it; and when the prop of the solvency of the Treasury was withdrawn we had a panic, doubts arose as to our paper money, gold was withdrawn, and our obligations sent from abroad in order to draw our gold from us before we should change our standard of value to the silver basis. During the existence of the Wilson bill, or rather during the forty-eight months of the past Administration, the revenues of the nation have been short of its expenditures every month but six. Out of forty-eight months forty-two have shown an inadequate revenue. When the paper or credit currency of the country was no longer backed up with a solvent Treasury, we would naturally expect to find, and we did find, doubt and uncertainty.

We have heard much about a currency founded upon the faith of a great nation, but our recent experience has taught us again the lesson that faith must be made manifest by works. The commercial world may have faith in the credit of a nation, but that faith is greatly strengthened by abundant assets in the nation's treasury and the existence of revenue laws that will keep up the supply from legitimate sources. There must be other methods of maintaining the reserve than the borrowing of money. A borrowed "surplus" is a bad corner stone for the edifice of business confidence. Borrowed money may be "revenue" within the business teachings of the gentleman from Tennessee [Mr. McMILLIN], but the practical financiers of the world look rather at the liabilities created than the assets realized in a transaction of that sort.

The reports of receipts and expenditures of the Treasury are looked for by the public with the same interest as the market reports. We have a national currency, and we must have sound national finances upon which to base it.

The entire revision of our whole currency system is urged by many people; but the present debate is not a proper occasion for that discussion. With insufficient revenues a nation is not put in a position to change its financial system or standard of value. When the health of the Treasury is restored by a revenue sufficient to prevent the monthly deficit of from \$4,000,000 to \$6,000,000, then the subject of a revision of our currency system can be taken up, and we will then be able to see how far the money question will remain as a present factor in the problem.

The American people would feel no regret if it should disappear altogether. The "endless chain," which was the nightmare of



the last Administration, will at least cease to exist, because its most important link, the deficit, will be broken.

The proposed Dingley bill is a Republican measure, moderate in its provisions, but drawn upon unmistakable protective lines. It is drawn in the light of our recent experiences. The Wilson bill is in many respects also a protective law, but it is unfortunately founded upon the vicious ad valorem system, so subject to fraud and abuse. When the tariff duty depends wholly upon value, the importer is tempted to invoice the goods at a very low rate; but before the goods reach the consumer their true value is exacted. They are undervalued for the custom-house only. The Dingley bill attempts to apply specific duties, as far as possible, and thus do away with this source of perpetual fraud and deceit.

As an illustration of the effects of the ad valorem system, we find that the customs reports showed a very large balance of trade in favor of this country at the very time when we were shipping much gold to Europe. No doubt other causes also influenced the export of gold, but the large shipments of the precious metals demonstrated that the apparent balance of trade in our favor was not real. The goods imported were undervalued, as they always are when the duties are not made specific.

And thus the balance of trade is made to appear very much more favorable than it is in fact.

The title of the Wilson bill is "An act to reduce taxation, to provide revenue for the Government, and for other purposes." It failed to "provide revenue," but it has effected "other purposes" in a manner not at all satisfactory to the American people. The McKinley bill was condemned before trial, and now its author is made President of the United States. The Wilson bill has been condemned after trial, and its author has been made president—of a college.

The Dingley bill has the benefit of a good title. It is a bill to "provide revenue for the Government and to encourage the industries of the United States."

The child that is well named at its christening has already a good start in life.

When Mr. Cleveland brought forward the tariff issue by his celebrated message in 1887, his complaint was that there was a surplus in the Treasury. In 1893 how gladly would he have welcomed a return of that surplus. That message was full of theory. The subsequent pages of its author's history are full of instructive facts.

We ought to be able to frame a good tariff bill now. We have had the experience of two bills framed upon entirely different theories, and we need not go far back into our national history to ascertain the workings of the two bills.

Mr. Cleveland, in his message in 1887, directed our attention to the "markets of the world," and his delusive promise of that market has led to much misery.

The "home market" is a tangible and real thing. It has been thrown away in the vain hope of getting something better somewhere else. The opponents of protection point to the fact that the last four months of the McKinley bill showed a great falling off of the revenues.

Importers naturally held back their goods, awaiting the enactment of the new law.

The next two months will show the direct converse of this proposition. Importers will take their goods out of bond and the last days of the Wilson bill will be much better than the first.

Nothing in this life will be so becoming to that bill as the leaving of it. Even now, the gentleman from Alabama [Mr. WHEELER] has begun to point to these increasing revenues as evidence that the Wilson bill is an adequate revenue measure, and the gentleman from California [Mr. MAGUIRE] is already prophesying that prosperity is about to come in the natural order of events, and that when it comes it will not be due to the Dingley bill, but in spite of it. He says that good times always follow hard times, and as we have had hard times, of course, "there is a good time coming." We will at least hope that this bill may assist the good times in arriving on schedule time.

The country is ready for good times, and will hail their arrival by whatever route they may come.

In 1893 we were told by the platform of the Democratic party that the protective-tariff policy fostered no industry but that of the sheriff, implying that the proposed new tariff legislation would be inimical to the business of that officer. But the sheriffs were the only people in this country who had no reason to regret the passage of the new legislation. Their business has not suffered by the passage of the Wilson bill. They alone will mourn its repeal.

Since the change of base of General McClellan from the Rappahannock to the James there has been no such sudden shifting of issues as we beheld last fall.

The prosperous condition of the country in 1893 was wholly ignored, and the hard lines of 1896 were all attributed to the "crime of 1873."

The party in power had won a victory in 1892 upon a revision of the tariff, in which they even declared all protective laws

unconstitutional, but in 1896 they went back twenty-three years for a new issue, to divert the attention of the American people from the living present.

We were told in 1892 that what we needed was free trade and cheap things. In 1896 the same gentlemen who in 1892 had preached free trade and cheapness changed their tactics. They wanted free silver and dear things. "Free silver and high prices" was the cry. Instead of offering us the "markets of the world" they tendered us the "markets of Asia," and the employers of labor were asked to join in the movement that would enable them to pay their workmen in 50-cent dollars, whilst on the other hand the workmen were assured that their dollar would be just as good as ever. And the gentleman who filled the Executive chair from 1893 until the 4th of March, 1897, seems to have found himself without any friends in the regular organization of the party that elevated him to power. I sat here last night for several hours and listened to torrents of abuse and invective from the opposition side of this Chamber, from Populists and Democrats alike, and not one kind word was said in behalf of the only man who has carried the Democratic party into power in the last generation. Every word against him was cheered, and the Populist fresh from that party—the Populist who supported that party in 1892—was cheered more loudly by the alleged Democrats than the members of their own party. Why was this?

Mr. GREENE. Will the gentleman allow me a question?

Mr. LACEY. Certainly.

Mr. GREENE. To what Populist do you allude who voted for Mr. Cleveland in 1892?

Mr. LACEY. I have not alluded to any Populist who voted for Mr. Cleveland in 1892. I am calling attention to the fact that men who were too good to vote for him in 1892 are the saints now received into the Democratic party of 1897.

Mr. GREENE. That is a reform!

Mr. LACEY. The men who abused the Democratic party in 1892 became its leaders in 1896. What was left for the gold Democrat, the sound-money Democrat, in the last election? Well, I am reminded of an incident that is said to have occurred out in my friend's own State last fall. A young sound-money Democrat went to see his "best girl" and found her "sitting up" with a Populist. He went to his next-best girl and found her similarly engaged with another Populist. Populists were plentiful last fall. He then tried his third-best girl and found her in the same situation. Then he went sadly out, and as he went he heard the church bells ringing. He concluded he would go and seek for comfort at the prayer meeting. When he got there, they called on him to pray. He held up his hands and said: "O, Lord, we come to Thee because we have no other place to go." [Laughter.] Thus the sound-money Democrat last year found himself with no good place to go except into the ranks of the one party under whom we enjoyed universal prosperity during a third of a century, and he came to us and we welcomed him. We hope to make such a good return for his confidence as will keep him with us in the future. We hope to bring back the prosperity which has been lost.

Mr. HANDY. Will the gentleman allow me a question?

Mr. LACEY. Certainly.

Mr. HANDY. Did the gold Democrats who came to the Republican party last fall materially assist that party in carrying the election?

Mr. LACEY. I should think they did.

Mr. HANDY. Now, one other question: Is it not a pretty hard return for the Republican party to make to the gold Democrats to turn around now and give them such a tariff bill as this? [Laughter and applause on the Democratic side.]

Mr. LACEY. The gold Democrat—and I am thankful to the gentleman from the "Blue Hen State" for his suggestion—the gold Democrat has no such hostility to the Republican tariff bill now as he had in 1892. He has tried a tariff bill of his own party. [Applause on the Republican side.] He is glad to be relieved from the incubus under which the country has suffered and which has led so large a portion of the Democratic party to throw itself into the embrace of Western and Southern Populism, as it did last year.

Mr. COCHRAN of Missouri. Do I understand the gentleman to say that the gold Democrats do not now object to a protective tariff?

Mr. LACEY. The gold Democrats are wonderfully silent. They are willing to allow the present Administration to try its own methods. We have heard no protest from them. They neither asked nor expected us to abandon our well-known principles when they came to our aid. In fact, I believe that more Democrats came to us on the tariff, after the experience of the last four years, than did so on the money question itself, although they were hardly frank enough to say so on all occasions. [Applause on the Republican side.]

Mr. COCHRAN of Missouri. If the gold Democrats have now swallowed the McKinley tariff, having already swallowed Mr. Sherman's financial doctrines, I ask the gentleman whether they are not now pretty good Republicans? [Laughter.]

Mr. LACEY. Well, sir, the swallowing capacity of a portion of the Democratic party—the party that swallowed Bryan and Tom Watson last year—certainly can not be questioned. [Laughter and applause.] I am glad to say that there was at least a considerable portion of that party that had the manhood and patriotism to stand by the United States of America; and last night when I heard Mr. Cleveland denounced I could not help but feel that he was denounced more for what he did in maintaining law and order than even for what he did in sustaining the solvency of the country.

Mr. Chairman, I passed through the city of Chicago during the riot, a few years ago, and I saw railway trains burning on the tracks loaded with the products of the State of Iowa, the State of Nebraska, loaded with the products of Minnesota, Illinois, Missouri, and all the States of the great Northwest, and around the smoldering embers I saw the United States soldier, the bluecoat, standing there, who had been sent to the scene to restore the peace as against anarchy and lawlessness. And for this, more than anything else, has Mr. Cleveland been denounced and criticised on the floor of this House and in certain portions of this country. All honor to him, sir, for the noble stand he took on that occasion. [Applause.]

I have not often found it in my line to praise Mr. Grover Cleveland. I have not agreed with him in his policy in the past. But it is certainly a sad spectacle to behold in this age his own party deserting him and denouncing him for enforcing the law of the land. Why should he be condemned for upholding the law? Anarchy is the creed of Moloch.

Mr. Chairman, our attention was called this morning by the gentleman from Missouri [Mr. DOCKERY] to the fact that in the Senate in the last Congress there was introduced and passed a resolution to take away from the Secretary of the Treasury the privilege of the issuance of Government bonds; and that the Republican party in this House, when the matter was brought before them, refused to give their consent to the passage of that resolution, and thus failed to signalize their denunciation of the system of issuing the bonds of the United States in time of peace. The Republican party has not attacked the last Administration for the issuance of Government bonds. They criticised the manner of their issue and they have attacked, and attack now, the policy which rendered the issuance of Government bonds on the one hand, or national bankruptcy on the other, the alternative which inevitably faced us.

We have attacked the methods and the governmental principles advocated by our friends on the other side of the House which made this bond issue absolutely necessary. We have attacked the law that rendered the sale of Government bonds in time of peace a necessity; but we did not attack and have never assailed the last Administration for the issuance of the bonds themselves. Nothing lay between this country and absolute insolvency except the issue of the bonds. In the convention which framed the Federal Constitution a gentleman offered an amendment providing that the standing army of the United States should never exceed 5,000 men. General Washington rose and moved an amendment providing that no invading army should ever exceed 3,000 men [laughter]; and this proposition to do away with bonds and at the same time maintain the law which rendered their issuance necessary is just as absurd as the jocular motion made by the father of our country over a hundred years ago. I am surprised, therefore, Mr. Chairman, that a gentleman of the ability of my friend from Missouri should attack the Republican party for refusing to denounce the Democratic Administration for the issuance of bonds.

But, sir, we have had a good deal of discussion throughout the country and on this floor with reference to the income tax. We have been entertained by the novel proposition that we should sit in judgment upon the Supreme Court of the United States, and that instead of passing a tariff bill to restore the revenues of the country and to restore the solvency of the Treasury, we should instead try the various judges of that court, and determine in all seriousness which of them, if either, changed his mind with reference to that great question, and whether the decision they rendered was right or wrong, constitutional or otherwise. But, sir, with that question we have nothing whatever to do. That court is a coordinate branch of the Government. It has done what it believed to be its duty. The law has been declared unconstitutional. In enacting this law we should keep within the Constitution. Not the Constitution as expounded on this floor, but as decided by the Supreme Court.

But it has been claimed that if that portion of the Wilson bill had been held valid and had been executed, it would have produced revenue enough for current expenses. It has been claimed time and again during the debate that if the revenues from the enforcement of the income tax had not been cut off by the decision of the Supreme Court the bill would have been adequate for the maintenance of the specie reserve at all times, or at least that the bill would have met the ordinary expenses of the Government without the necessity of issuing bonds. But upon what a slender

thread is this proposition based! We have at hand the income reports of one year under the operation of the income-tax law before it was declared unconstitutional by the United States Supreme Court; and I read from the report of the Commissioner of Internal Revenue for the year 1895, on page 191, where it is stated that income taxes were returned to the extent only of \$15,943,748.69. I grant that in view of the litigation then pending in the courts some corporations failed to make their returns. I concede that some individuals took the chances of paying 50 per cent as a penalty for a failure to return the amount of their incomes for the past year. But the total amount could not have been greatly in excess of the amount actually returned.

I know that Mr. Carlisle, then Secretary of the Treasury, in his cheerful way insisted that the revenues would have gained to the extent of \$30,000,000 from that source. But there is nothing tangible upon which to base that claim. The returns for the whole year were less than \$16,000,000, as shown by the official reports. I will not analyze these income-tax returns, but will point out, as showing its inequality, one peculiar fact. Georgia and Iowa each have the same population and eleven Representatives in Congress. The income tax reported for Iowa was \$147,793.75, whilst that of Georgia was only \$112,993.74, or about 25 per cent less than that of Iowa. Now, what is the condition with which we are brought face to face? The deficit in the Treasury, by comparison of the receipts and expenditures for the year 1893, is shown to be \$43,000,000 and over; for 1894 it was \$61,000,000; for 1895, \$35,000,000, and for 1896 it shows a deficit of more than \$50,000,000. If, therefore, you allow this \$30,000,000 income tax, the utmost that has been claimed by the most sanguine friends of that measure, it would still leave the Treasury many millions of dollars short of what is required to carry on the operations of the Government.

Under a protective-tariff system, reasonably constructed, the first Presidential Administration under Democratic control passed through four years securely with a solvent Treasury, and Mr. Cleveland paid during the four years of his first Administration \$341,448,449 upon the national debt. In the four years of Mr. Harrison's Administration, under the same law or under the McKinley bill, which took the place of the law of Mr. Cleveland's first term, there was paid \$336,527,666 on the national debt. He paid \$100,000,000 less than Mr. Cleveland, for the simple reason that the pension list had been largely increased by the act of 1890, and by reason of the liberal pension laws of the Republican party. But under the last Administration the bonded debt has increased \$262,315,400, with an annual increase in the interest charge of over \$10,000,000.

The following table will show the monthly deficits from July, 1893, down to and including February, 1897, and also the sum total of the annual deficits for four years:

*Excess of expenditures and receipts of the United States, by months.*

Month.	Excess of—	
	Receipts.	Expenditures.
1893.		
July		\$8,770,112
August		9,414,943
September		805,254
October		5,035,307
November		7,322,626
December		7,746,234
1894.		
January		7,226,931
February		4,456,074
March		6,294,762
April		6,712,147
May		\$928,904
June		
Total, 12 months		72,325,443
1895.		
July		1,830,243
August		8,700,969
September		7,701,789
October		13,573,800
November		9,035,785
December		5,269,324
1896.		
January		6,719,047
February		2,807,978
March		216,382
April		8,742,859
May		3,230,136
June		3,932,445
Total, 12 months		40,558,909
1897.		
July		9,478,360
August		3,635,498
September		3,229,196
October		6,601,677
November		1,212,780
December		474,621



## Excess of expenditures and receipts of the United States, etc.—Continued.

Month.	Excess of—	
	Receipts.	Expenditures.
1896.		
January		\$3,291,670
February		690,729
March		1,257,845
April		4,704,499
May		3,722,875
June	\$2,349,430	
Total, 12 months		28,578,671
July		13,030,259
August		10,139,590
September		1,195,290
October		7,695,448
November		8,060,024
December	2,044,440	
1897.		
January		5,952,305
February		4,395,079
Total, 8 months		49,282,606
Twelve months ending December 31—		
1890		43,381,984
1894		61,899,454
1895		36,064,432
1896		50,249,326

Under a protective policy, with the McKinley bill, and with the act of 1883, which preceded it, the two Administrations paid nearly \$600,000,000 upon our national debt in the eight years from 1889 to 1897.

Mr. COX. Will the gentleman permit me in that connection to ask him one question?

Mr. LACEY. Certainly.

Mr. COX. Under the statement made by the chairman of the committee [Mr. DINGLEY], it is estimated that this bill will bring in annually \$413,000,000 more of revenue than the Wilson bill.

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Mr. COX. I suppose you will agree that it will realize something like a hundred million dollars annually in excess of what is brought in by the Wilson bill. Now, your deficit is about \$20,000,000 annually. What is the object in raising eighty, ninety, or one hundred millions more when you do not need more than twenty millions more?

Mr. LACEY. In the first place, the gentleman asks a question founded on an erroneous assumption. He says the deficit is \$20,000,000 a year. The deficit last year was \$30,249,326, or more than two and one-half times as much as the amount stated by my friend from Tennessee.

It is not necessary in this debate to attempt to prove that the recent experiment of so-called tariff reform has not proven satisfactory. Failures in business will occur and misfortunes will come under any system, but the evidence points without controversy to better times in our country when the protective system has been fully recognized than when the opposite policy has prevailed. I will not go back into remote history, but I have compiled a statement of the liabilities of failing debtors during the four years which have just closed, and also during the previous four years of General Harrison's Administration.

For the latter four years the amount increased nearly 50 per cent, as compared with that of the Harrison period.

Total liabilities of failing debtors in the United States during Harrison's and Cleveland's Administrations.

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1890	180,859,994
1891	180,889,630
1892	114,044,167
Total	642,554,108
CLEVELAND'S.	
1893	\$945,770,889
1894	172,924,853
1895	173,199,000
1896	226,096,934
Total	919,085,636

But notwithstanding our recent experiences, we are again regaled with the old saws of the past.

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We are also told that the proposed bill will immediately increase the price of everything, and therefore it will be an injury to the people.

The same speakers who last fall were proposing to double the price of everything by changing the standard of value and who shouted "free silver and high prices" are now engaged in warning us that an increase in prices is a dangerous thing.

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And yet, during the present debate, gentlemen have discussed the constitutional power of this Government to enact a tariff bill upon protective lines.

It is a striking fact that the first Congress that ever assembled should pass as its first law an act requiring an oath to support the Constitution of the United States, and then, in the next bill, proceed to violate it by enacting a protective-tariff law. But President Washington celebrated the Fourth of July, 1789, by signing the first tariff law enacted upon the lines of the policy of Alexander Hamilton.

But our opponents do now agree with us that there must be a tariff. An occasional member may be found, even representing an agricultural district, who thinks that all taxes should be repealed except the Henry George single tax upon lands, but these gentlemen are few and hardly take themselves seriously. But we seem now to be nearly all agreed that there must be a tariff, and the simple question is upon what lines shall it be levied? Some gentlemen say that they will not object to incidental protection; that if the tariff should do any good that it should be incidental—not intentional; that if it benefited the country they did not mean it.

On the other hand, we say that we mean to get some good out of the tariff if we can, and that if it does any good we intend that it should.

The policy of the present bill is to levy specific duties that can not be avoided by fraudulent undervaluations, and to lay such duties as far as can be done upon those things which come into competition with our own products. The policy of the opposition is to permit those products which compete with ours to come in free, and to levy duties on those things which we do not produce.

The policy of this bill is to tax the products which come from countries where wages are lower than in America, and, while raising revenue for the Government, to protect the laboring man in the United States at the same time. The bill may be defective in some of its schedules, and I trust these defects may be amended; but the bill is free from all sectional lines. It knows no East or West, no North or South. It returns to the policy of reciprocity, which was so ruthlessly swept away by the Wilson bill. It protects the products of the mine, the factory, and the farm, and attempts in good faith to give the American markets to the products of the toilers of the United States.

The coal miners of this country were especially the object of solicitude by the Bryan party last fall. Every Populist in the Fifty-third Congress except one (Sibley, of Pennsylvania) voted for the Wilson bill to put coal on the free list, and the small duty of 40 cents a ton was put on by an amendment of the Senate, being only about half the rate of the McKinley bill. The Populists who voted for the Wilson bill which so greatly crippled and injured the coal-mining business of this country were Baker of Kansas, Bell of Colorado, Boen of Minnesota, Coffeen of Wyoming, Davis of Kansas, Denson of Alabama, Kem of Nebraska, McKeighan of Nebraska, Pence of Colorado, and JERRY SIMPSON of Kansas, and also W. J. Bryan, who claimed to be at least half Populist. And yet these gentlemen attempted to hoodwink the coal miners of the West into the belief that their interests were not involved in the issue of protection. Whatever success they may have had with the miners of the West, they utterly failed to deceive those who were engaged in digging coal in the Eastern States, where the competition of Nova Scotia coal was keenly felt. When the Wilson bill passed Harry Tucker and William J. Bryan bore Mr. Wilson from this Hall in triumph on their shoulders. But the miners of West Virginia did still better—they carried Mr. Wilson out of Congress altogether later on.

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It is true that we have exported considerable coal to Canada from Indiana, Ohio, and Illinois, but Canada levied a duty on it all at 60 cents a ton while we only placed a duty of 40 cents on the Nova Scotia coal. Our exports to Canada were mainly due to the hard times and low prices at home.

No body of men in America are so deeply interested in good money and protection as the coal miners. To cut their dollar into halves means to lower their scale of wages. To open the seacoast cities to the free importation of Nova Scotia coal on the East and British Columbia and Chinese coal on the West could not fail to injuriously affect the business of the coal miner, and whether the miner agrees with me as to the cause or not, he will not dispute the fact that the Wilson-bill period has been a hard one for every class of American labor and especially for his own. The putting out of the fires in the furnaces and factories has taken away the employment and wages of many a miner. As a West Virginia miner graphically put it, "Coal miners have hard times when cattle and sheep eat the grass that grows on the cold roofs of the unused coke ovens of West Virginia."

The campaign last fall was a shrewd one. Appeals were made to the prejudices of the workmen of the country, and at first it seemed as if the scheme would succeed. But the sober second thought came and the cause of sound money and protection triumphed.

And now this Congress is promptly addressing itself to the task of framing legislation which will take account of the needs of the Treasury and the employment of the American people.

The policy that we enact at the beginning of this Administration will be followed through the next four years, and the greatest century that the world has ever seen will soon pass away and we will turn to greet the rising sun of another hundred years. All true Americans will hope that that sun will rise upon a nation again prosperous, upon happy homes, upon smoking shops and busy fields, upon capital and labor well employed, and that the dark clouds that now lower in the sky shall have passed away.

Let us earnestly endeavor to frame such laws as will cause the closing years of the present Administration to be pointed to by all Americans as the model for the twentieth century. [Applause.]

### The Tariff.

A tariff is a tax, and the consumer has it to pay, and the man who consumes most of the protected article pays the highest tax.

Taxation, in its last analysis, is confiscation by the Government of the property of the citizen for public purposes. Protection is authority indirectly conferred upon certain business men to confiscate the property of their patrons.

Taxation is a necessary burden.  
Protection is an ingenious robbery.

### SPEECH

OF

HON. ANDREW J. HUNTER,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897,

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. HUNTER said:

Mr. CHAIRMAN: We have been called together by the President of the United States in extraordinary session, and under arbitrary rules required to legislate in an extraordinary manner, to pass into law a bill framed solely in the interests of trusts and kindred combinations. The people had a right to expect that legislation would be in their interests, and, if possible, lift the load of oppression from their shoulders that is now weighing them down. But if we are to judge from the provisions of this bill, the arguments of its friends, and the unparalleled haste with which it is being railroaded through this House, it is evident we are simply called together to ratify and confirm a scheme that was evolved just after the election last fall, at Canton, Ohio, as a scheme of confiscation by which a certain class might enjoy rich rewards. In the light of events that have developed since the election of Mr. McKinley, we are enabled to divine the full scope and intent of those combinations who manipulate legislation in this country for private gain. Their plans are laid with skillful hands, both wide and deep. Behold their handiwork! No novice could frame a bill with such far-reaching provisions as this one, that will so successfully deceive the millions for the benefit of the few.

Mr. Chairman, a reform in our financial system was the paramount issue made by the people in the last campaign. They demanded and expected that the money question would be settled

before all others, but that question is now wholly ignored and set aside by the gold barons and the trusts, and now this bill to protect the trusts is forced to the front over the protests of the people, and defiance hurled into their faces. Let us look back a few months and recall some of the deceptive promises and pledges made to the people by these protectionists, these men who depend upon trick legislation for their profits in business, and also the means employed by them for its consummation. First, the great apostle of protection and the champion of class legislation is sought out as their candidate for the Presidency. He having fallen under adverse financial circumstances a few years ago, is now resurrected and placed upon his financial feet by the beneficiaries of protective tariff laws. He was carefully groomed and provided with all the money that was necessary to organize a nominating machine in all the States. That machine was so fearfully constructed that it run over all opposition. The distinguished Speaker of this House, Mr. REED, Senator ALLISON, Senator CULLOM, and Vice-President Morton, with all their prestige, influence, and power, were unable to resist this purchased McKinley machine. All opposition was swept out of the field like prosperity under a gold standard. The triumph of money in the hands of the protectionists was complete. These old-time Republicans were told to get out of the way, that they were not orthodox, and could not be trusted to force upon the country the climax of McKinleyism. None but the most daring protectionists would be allowed in power.

The friends of this bill, without the least effort at concealment, now declare that their purposes are to increase taxation and protection, leaving the masses of the people without any relief from their unhappy condition. No promises except to the protectionists are to be redeemed. In this debate we have never heard one of these protectionists asking for a reduction of taxation or a reduction in the expenses of the Government. The President in his message to this Congress does not even refer to the question of economy or the reduction of taxation; he simply asks for more money to foster extravagance and pay bounties to his financial indorsers. But, Mr. Chairman, we should not expect him to do so, for that would destroy the only basis for protection. Without extravagance, protection would be a failure, hence a billion-dollar Congress must be had. This law of protection, giving such vast bounties to a small class of people at the expense of all other classes, is a fraud, as the world knows, and it has to be perpetuated in a surreptitious way and hedged about with all the sophistry of the demagogue in order to deceive the masses, until the fraud is fully consummated.

Time alone, however, can fully demonstrate the effect of this bill. The trusts and corporations have full control of a majority of this Congress, and the oppression of the taxpayer is only limited by their avarice. I feel very certain that if this bill should become a law it will not raise as much revenue as the present law for the Treasury. But I am certain that it will raise a much greater sum for the pockets of the protected.

Mr. Chairman, a great economic question like this, permeating every community in this vast country, involving the material interests of 70,000,000 of people, whose welfare and rights are mutual, can not be settled upon a basis so narrow and partisan as this bill presents. The American people, who have been born and reared in the belief that legislation should be just and equitable to all, will be amazed when the intent and purposes of this bill are fully understood. Gentlemen may make arguments that are entirely satisfactory to themselves, they may cite as precedents former vicious statutes to sustain their special partisan demands, they may contend that it is right to give one class of our business men an advantage over all other classes by legal enactment, they may show that former Congresses have violated the letter and spirit of the Constitution in dealing out these special privileges, they may insist on the revival of the old Federal doctrine that it is necessary to make one class of our people rich that they may take care of the poor, they may charge that Grover Cleveland was a Democrat and a deficiency was created under his Administration, but I do not think that the credulity of the people can be further played with and used to sustain this doctrine; in fact, I know that there is a widespread sentiment against it. There can be no permanent adjustment of this question upon such unfair conditions as long as the people have a right to be heard. Thirty years of false and pernicious legislation, under the pretense that the Constitution gives sufficient authority to tax the whole people for the benefit of a certain class, is not binding upon the people or their representatives to-day, and no man who has determined to be just to the people who sent him here will regard such precedents and vote for this bill. Members who fancy that long-standing violations of the Constitution can be plead in justification for their support of this measure is a matter entirely between them and their constituents. However, I think there will be a day of reckoning hereafter.

I arraign no man for honest convictions. I would be glad to have the opportunity of voting for some measure that would give immediate relief to the toiling millions; but, gentlemen, I can not



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The campaign last fall was a shrewd one. Appeals were made to the prejudices of the workmen of the country, and at first it seemed as if the scheme would succeed. But the sober second thought came and the cause of sound money and protection triumphed.

And now this Congress is promptly addressing itself to the task of framing legislation which will take account of the needs of the Treasury and the employment of the American people.

The policy that we enact at the beginning of this Administration will be followed through the next four years, and the greatest century that the world has ever seen will soon pass away and we will turn to greet the rising sun of another hundred years. All true Americans will hope that that sun will rise upon a nation again prosperous, upon happy homes, upon smoking shops and busy fields, upon capital and labor well employed, and that the dark clouds that now lower in the sky shall have passed away.

Let us earnestly endeavor to frame such laws as will cause the closing years of the present Administration to be pointed to by all Americans as the model for the twentieth century. [Applause.]

### The Tariff.

A tariff is a tax, and the consumer has it to pay, and the man who consumes most of the protected article pays the highest tax.

Taxation, in its last analysis, is confiscation by the Government of the property of the citizen for public purposes. Protection is authority indirectly conferred upon certain business men to confiscate the property of their patrons.

Taxation is a necessary burden.  
Protection is an ingenious robbery.

### SPEECH

OF

HON. ANDREW J. HUNTER,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. HUNTER said:

Mr. CHAIRMAN: We have been called together by the President of the United States in extraordinary session, and under arbitrary rules required to legislate in an extraordinary manner, to pass into law a bill framed solely in the interests of trusts and kindred combinations. The people had a right to expect that legislation would be in their interests, and, if possible, lift the load of oppression from their shoulders that is now weighing them down. But if we are to judge from the provisions of this bill, the arguments of its friends, and the unparalleled haste with which it is being railroaded through this House, it is evident we are simply called together to ratify and confirm a scheme that was evolved just after the election last fall, at Canton, Ohio, a scheme of confiscation by which a certain class might enjoy rich rewards. In the light of events that have developed since the election of Mr. McKinley, we are enabled to divine the full scope and intent of those combinations who manipulate legislation in this country for private gain. Their plans are laid with skillful hands, both wide and deep. Behold their handiwork! No novice could frame a bill with such far-reaching provisions as this one, that will so successfully deceive the millions for the benefit of the few.

Mr. Chairman, a reform in our financial system was the paramount issue made by the people in the last campaign. They demanded and expected that the money question would be settled

before all others, but that question is now wholly ignored and set aside by the gold barons and the trusts, and now this bill to protect the trusts is forced to the front over the protests of the people, and defiance hurled into their faces. Let us look back a few months and recall some of the deceptive promises and pledges made to the people by these protectionists, these men who depend upon trick legislation for their profits in business, and also the means employed by them for its consummation. First, the great apostle of protection and the champion of class legislation is sought out as their candidate for the Presidency. He having fallen under adverse financial circumstances a few years ago, is now resurrected and placed upon his financial feet by the beneficiaries of protective tariff laws. He was carefully groomed and provided with all the money that was necessary to organize a nominating machine in all the States. That machine was so fearfully constructed that it run over all opposition. The distinguished Speaker of this House, Mr. REED, Senator ALLISON, Senator CULLOM, and Vice-President Morton, with all their prestige, influence, and power, were unable to resist this purchased McKinley machine. All opposition was swept out of the field like prosperity under a gold standard. The triumph of money in the hands of the protectionists was complete. These old-time Republicans were told to get out of the way, that they were not orthodox, and could not be trusted to force upon the country the climax of McKinleyism. None but the most daring protectionists would be allowed in power.

The friends of this bill, without the least effort at concealment, now declare that their purposes are to increase taxation and protection, leaving the masses of the people without any relief from their unhappy condition. No promises except to the protectionists are to be redeemed. In this debate we have never heard one of these protectionists asking for a reduction of taxation or a reduction in the expenses of the Government. The President in his message to this Congress does not even refer to the question of economy or the reduction of taxation; he simply asks for more money to foster extravagance and pay bounties to his financial indorsers. But, Mr. Chairman, we should not expect him to do so, for that would destroy the only basis for protection. Without extravagance, protection would be a failure, hence a billion-dollar Congress must be had. This law of protection, giving such vast bounties to a small class of people at the expense of all other classes, is a fraud, as the world knows, and it has to be perpetuated in a surreptitious way and hedged about with all the sophistry of the demagogue in order to deceive the masses, until the fraud is fully consummated.

Time alone, however, can fully demonstrate the effect of this bill. The trusts and corporations have full control of a majority of this Congress, and the oppression of the taxpayer is only limited by their avarice. I feel very certain that if this bill should become a law it will not raise as much revenue as the present law for the Treasury. But I am certain that it will raise a much greater sum for the pockets of the protected.

Mr. Chairman, a great economic question like this, permeating every community in this vast country, involving the material interests of 70,000,000 of people, whose welfare and rights are mutual, can not be settled upon a basis so narrow and partisan as this bill presents. The American people, who have been born and reared in the belief that legislation should be just and equitable to all, will be amazed when the intent and purposes of this bill are fully understood. Gentlemen may make arguments that are entirely satisfactory to themselves, they may cite as precedents former vicious statutes to sustain their special partisan demands; they may contend that it is right to give one class of our business men an advantage over all other classes by legal enactment, they may show that former Congresses have violated the letter and spirit of the Constitution in dealing out these special privileges, they may insist on the revival of the old Federal doctrine that it is necessary to make one class of our people rich that they may take care of the poor, they may charge that Grover Cleveland was a Democrat and a deficiency was created under his Administration, but I do not think that the credulity of the people can be further played with and used to sustain this doctrine; in fact, I know that there is a widespread sentiment against it. There can be no permanent adjustment of this question upon such unfair conditions as long as the people have a right to be heard. Thirty years of false and pernicious legislation, under the pretense that the Constitution gives sufficient authority to tax the whole people for the benefit of a certain class, is not binding upon the people or their representatives to-day, and no man who has determined to be just to the people who sent him here will regard such precedents and vote for this bill. Members who fancy that long-standing violations of the Constitution can be plead in justification for their support of this measure is a matter entirely between them and their constituents. However, I think there will be a day of reckoning hereafter.

I arraign no man for honest convictions. I would be glad to have the opportunity of voting for some measure that would give immediate relief to the toiling millions; but, gentlemen, I can not



see one ray of hope for them in this bill. It simply proposes to tax the American people \$112,000,000 more annually. Our ability as a nation has been put to the extreme test in the last eight years of raising sufficient revenue to support the Government under the McKinley bill, as well as the Wilson bill. The last year under the operations of the McKinley tariff the expenditures of the Government exceeded the revenue \$89,000,000, and the last year of the Wilson bill the deficit was \$24,000,000. Contrasting these two measures, the Republicans of this House, by their juggling with figures, can not hypnotize the masses and give relief to the people by the demagoguery of this bill. Such a hypothesis should be an insult to all intelligence. This, however, is no new doctrine of the protectionist, to pretend to tax the people into prosperity. They have always invited the lawmaking power to go outside of the Federal Constitution and regard their clamor and private interests as the true basis of legislation, and thus protect them from foreign competition, so that they could force the consumer to pay them an increased price for the goods that they produce.

We are now told that this bill is laden with prosperity and will bring joy to the idle workman, the farmer of this country, and fill the Treasury with gold. It has been conceded by all parties from the commencement of this Government to the present time, except a few beneficiaries of protection, that it was the fixed purpose of the authors of this Government to give to all men in all departments of trade and business an equal chance in the race of life. The existence of republican government must necessarily be short unless this rule is strictly carried out. It must be admitted by the friends of this bill that it is solely in the interest of a class, and that a very small class, not 3 per cent of our population. It is to be regretted that private gain and corporate greed are to be made the sole basis of all this legislation; that a special session of Congress can be called at their command, and at their dictation, and at the expense of the nation, to advance their private interests only.

We are told by the trusts and the protectionists that we must pass this bill and take up no other legislation, that the trusts may have prosperity; that the masses of the people are all doing well enough. Just let them alone; let Congress adjourn and go home, and let the gold standard and protection continue their deadly work on the toiling millions. Gentlemen, can this Congress afford to ignore the interests of the people who produce the material wealth of this country and so legislate that trusts, syndicates, and corporations may acquire fortunes not earned? The distribution of wealth by law in a free country does not consist and can not be maintained. Can any fair-minded representative hope to perpetuate our present form of government with such laws in force? Are we charged by our constituents to legislate for capital alone, or for both labor and capital? I am not aware of any authority or right under the Constitution or by any oath to make any such distinction. This bill, however, in every word and in every line, asks us to abandon the toiling people who sent us into this Chamber and enact a law that will continue a system of spoliation that has already paralyzed the wealth producers of untold millions.

Mr. Chairman, if there were no other influence than conscience to restrain members, that alone would seem sufficient to cause them to call a halt. But no; at every session of Congress the grip of avarice is sought to be more firmly fastened upon the throats of the people. In all this debate so far no member has dared to give the real reason why a protective tariff should be continued. The honest and frank demands of the manufacturers of lumber, recently before the Committee on Ways and Means, are to be commended to most of those who ask for protection under false pretenses. They come squarely to the front and speak out. They say what they want and why they want it. They do not come with a hypocritical plea, saying they want a tariff for the poor laboring man, but they demand protection because others get it and they want their share of the plunder. I here insert a letter sent me by the National Lumber Convention, which has its office in this city. This letter clearly discloses the purposes of a protective tariff:

WASHINGTON, D. C., February 23, 1897.

DEAR SIR: We have taken the liberty of sending you under the frank of Hon. W. B. Linton a copy of that section of the tariff hearings by the Ways and Means Committee of Congress relating to the lumber interests of the country, and we do so under the belief that the welfare of this the largest of all our great manufacturing industries, whether measured by the amount of invested capital, value of annual products, number of men employed, or the amount of wages paid, still much the largest of our great industries, must be of some interest to all our legislators, and any facts relating thereto can be of no small importance.

May we draw attention to the fact that in asking for \$2 per thousand for rough lumber we are confining ourselves to a moderate "revenue-only" tax of less than 30 per cent, in great contrast to the requests of our friends the coal miners, iron manufacturers, or agriculturists, in what seems to us their fair and just requests for a "protective tariff," running from 33 per cent to 100 per cent and in some instances still higher rates, but which the conservatism of a large portion of our numbers restrains us from asking, although all agreeing that a still higher rate would, in our case as in theirs, be better for our own individual interests?

Very truly,

A. H. WINCHESTER,  
For Executive Committee.

You can see they want us to give them \$3 per thousand, not for the men who supply the logs or the men who work in the mill,

but for their "own individual interest." This is a very polite letter asking me to vote a tax on 200,000 people in my district, not one of whom gets one cent of this protection. Our forest reserves are being destroyed too rapidly as it is. Why should encouragement be placed upon such destruction by the imposition of high protective duty? Suppose a small amount of lumber is imported from Canada; is not the result the preservation of part of our own limited forest domain until the time when it will be more valuable? Instead of placing a premium upon the destruction of our forests whose preservation is so desirable for reasons relating to climate and rainfall, the Government should rather undertake to maintain a forest reserve. It is said that high duties on lumber are a benefit to the workmen. This I deny, however. Let it be remembered that the only importation of lumber is from Canada, and while it is desired to levy a duty on such importations, there is nothing to prevent the Canadian workmen from coming across the border into American lumber camps.

High protective duties on lumber would mean higher prices to the consumer, with little benefit to anyone but millionaire lumbermen, who have already made fortunes out of the business. Lumber is a commodity that should be as cheap as possible in order to encourage building. This would encourage labor and benefit the consumer. It has been an enigma for many years with the people who are not familiar with the modern methods of legislation how such partial and unjust laws can get through Congress when there are sixty-nine men that do the protecting and only one man gets the protection—when sixty-nine votes should be recorded on one side, whilst there can be but one recorded on the other. In the earlier days of this Republic all the people trusted their chosen representatives to carry out their will and enact it into law, and it was done. But now every member here that is supposed to be in favor of class legislation is imported and groomed by the agents, committees, and attorneys of the corporations, syndicates, and trusts that are seeking special privileges. Their attendance upon the Committee on Ways and Means and the sessions of Congress is as regular and prompt as the members themselves. They are here now, and have been making out their schedule, fixing the per cent of protection on the articles they produce.

Mr. Chairman, on the 14th day of last December, more than three months before this Congress was organized, a coterie of gentlemen got together and constituted themselves a committee of ways and means, and advertised to those who wanted the tariff laws changed by the next Congress to come and file their schedules of wants and arguments.

Now, let us inquire how this bill got into existence. Certainly not by the authority of this House. It was not appointed by the Speaker of this Congress. If the statements of the newspapers are to be taken as true, the present chairman of the Committee on Ways and Means went to Canton, Ohio, last November and had a conference with Mr. McKinley, and they agreed that Mr. DINGLEY should go to work at once and prepare a bill for the next Congress, which would be called together in a short time after Mr. McKinley's inauguration, and that a tariff bill would be ready and rushed through Congress. At the time this arrangement was made Mr. McKinley was not President, the electoral vote had not been counted, nor had he taken the oath of office. I had always understood that revenue bills should originate in the House of Representatives here in Washington, not at Canton, Ohio. The committee appointed by this Congress has not had time to prepare a tariff bill, and if they had there has not been sufficient time afforded this House to consider a bill of 14 schedules, 163 pages, and 198 sections, proposed by the trusts and some of the members of this House now who were in a former Congress. Not one-fifth of the bill can be considered now at this hour.

The first special industries to be recognized by the committee were the manufactures of chemicals and spirits and wines and other liquors. A large number of advocates were before the committee, and without exception all asked for an increase of duty on the particular industry in which they were interested, and they got it; and they further insisted that the duty should be changed from ad valorem to specific duties, and it was done. Next came the representatives of the Textile Manufacturers' Association and the Cotton Yarn Spinners' Association and asked to have the present law changed to suit their ideas of better profits, and it was done. They were exceedingly fearful that custom-house officers would not be honest and careful in fixing the value of goods, and they wanted ad valorem duties abolished and specific duties adopted, and that was done. The sugar and molasses schedule, with all of its complication, seems to be one of the subjects that can not be settled; but there is, however, one general feature upon which all the trusts do agree—that is, more protection and specific duties. Day after day these special beneficiaries of former protective tariffs swarmed in upon the committee, filed their briefs, and made their arguments for more protection to them for the articles which they produced—wood manufactures, wood pulp and paper, tobacco and cigars, animals, fish and meat, earthenware and glassware, iron, lead, and bituminous coal.

Most of the arguments made before the committee were purely selfish and some of them very amusing. There was one gentleman, representing colored manufactures, who said the present duties were satisfactory, but if the duties were increased on chemicals, then he desired a relative increase on colors. These hearings before the Ways and Means Committee have demonstrated one fact, that the trusts and corporations are going to abolish ad valorem duties and adopt the specific method. Such a change affords additional opportunity to all those who wish to take advantage of the revenue laws in their own private interests. I think one of the most dangerous features of this bill is the change from an ad valorem to specific rate of duty. The experience in this country of more than one hundred years has demonstrated that the only correct and honest way to levy taxes is according to value. All the counties, States, and municipalities in this country have no other method, and would not dare, in the face of the people, to adopt the specific system. Take, for example, flannels in Schedule K that weigh over 4 ounces per square yard. The specific duty is 44 cents per pound and 50 per cent ad valorem.

Now, suppose a package of flannel is in the custom-house to be appraised and the duty fixed under this bill. They would weigh the package, and if it weighed 100 pounds, the specific duty would be \$44, whether the flannel was worth \$30 or \$400. Take another case; here are 2 bales of shawls weighing 100 pounds each; one cost \$1,000, and the other \$100. Now, under the specific duties of this bill they are both taxed \$44. The 50 per cent ad valorem duty is also placed upon them, but this does not equalize in any sense the tax or make it uniform. These specific duties fixed in this bill were a part of the original scheme. There is but one honest method of taxation, and that is to tax every species of property according to its value, not according to weight or size. One of the chief purposes of this Dingley bill is to establish specific duties, by which the power to defeat competition and honest appraisalment will be greatly enhanced, and the opportunity to practice fraud upon custom officers may be better secured. Whenever it is attempted to fix a tax without reference to the value of the article taxed, it is time for serious consideration by the people. If the real object of this bill were to raise revenue, the ad valorem method of fixing duties would not be questioned.

Mr. Chairman, when cupidity and deception enter into a conspiracy, they hold that the revenue laws should be made for their special benefit. And why not? They have been caressed and fed and nourished as infants of this Government so long that they now come swaggering into this Chamber with an imperial air, as though they had rights superior to other citizens of this Republic, and demand that the Government divide the taxes of the people with them; that they are in full partnership with the Government. They set up this claim as a matter of right. Modesty is one of the lost arts with them. At every session of Congress they are here, hovering around this Capitol, like a flock of vultures, and here they remain until they secure what they want. They are unwilling to remain at home, like the farmer, the laboring man, the mechanic, and the merchant, and trust the chosen representatives of the people to make the revenue laws for the whole country. They regard Congress as a stockholders' meeting, where they come to fix the market price of their products and revise their by-laws. Their past raids upon the Federal Treasury have been so successful in driving out competition that they are now enabled to number hundreds of trusts, syndicates, and corporations which bleed the people of hundreds of millions of dollars every year.

I have no doubt that if this bill should become a law as it now stands it would still further augment their wealth and give them greater power. When these bounties are held out to them, like a benediction, who can reproach them for their invasions of these halls? All this plunder is given to them under the forms of law, as legalized booty, and they simply accept it without thanks. This custom that has grown up in the American Congress of allowing certain men and combinations of capital to have privileges and advantages in business, secured by law, that are not accorded to all the people is regarded by the majority here as axiomatic. Protection fosters a class of business men who are not required to depend upon the highest degree of business ability for success, like those who are not protected. They simply have a protective tariff law to drive all competition away; then they fix the price on their own products to suit their own ideas of profit. Anybody can make money under these circumstances, and trusts and combinations have multiplied and exist to-day because of these advantages, and force high prices on the consumer. But we are reminded by the gentleman from New York [Mr. PAYNE] that if we will protect home manufacturers from foreign competition, they will enter into competition with each other and reduce the price of their product to the consumer much lower than if they had the foreign competition.

Mr. Chairman, such statements are not based upon any business principle and practical experience. Twenty years of business under such laws have fully demonstrated that it is not true. Some of our Republican friends who are mild advocates of this policy

tell us that they will do all that the laws of the Government can accomplish to break up and destroy trusts and combinations that impose upon the people; that they are not in favor of fostering trusts and giving them advantages not accorded to all. But at the same time they are in favor of protection, which is the mother of all trusts, and of this bill, which is in all of its provisions the guardian and conservator of all trusts. This monster of the laboring man's slavery is extending its power and tightening its grasp upon its victims in the ratio as protection is increased. It seems to me gentlemen are not fair in their contention when they insist upon more protection and less trusts. Statutes for protection are the only laws upon which a trust can stand; their life and existence depend upon it. These settled and well-devised laws to further deceive the great mass of the people and despoil them of a large share of their hard earnings may seem strange and incredible to those who do not investigate, but the producers of wealth feel the oppression in all departments of business and raise the cry of distress. The homes of the toiling millions seem to me the best places to gather data for the solution of this question, not the countingrooms of Wall street.

Farmers and laborers are the burden bearers who make protection profitable. The source of inspiration for all this class legislation does not come from the producing masses; it comes from the boards of trade, the stock exchange, the gold gambler, the protective tariff league, the trusts and corporate councils. No other legislation is pressed upon the attention of Congress. There is no lobbying for anything else, and all their efforts are in order to disguise and conceal their ulterior purposes. They come here with the hypocritical plea upon their lips that their sole object in securing protective-tariff laws is for the benefit of the laboring man and farmer. Does any man of fair intelligence believe such statements to be honest, founded upon a single fact? Certainly not. All men know, who have given this doctrine of protection any thought, that their contention is not verified by results. They tell us that they want more protection to our American manufactures, so that higher wages may be paid to the laboring man, so that higher prices may obtain with the farmer, that confidence and prosperity may be restored, that infant industries may be sustained, that home competition may be had for the benefit of the consumer.

This is no new doctrine to the American people. The British Tories, at the inception of this Government, sought to ingraft this English system upon us. They insisted that this principle of protection should be extended to a class, so that they could control all the wealth of the country, as they knew how to make money and control it, while the poor man did not know how to make money but did know how to work. So long as this country remains a Republic and equality of right obtains with its citizens, such laws will be met with undying opposition by every patriot of this land. There is not a member upon this floor who will rise in his place and claim that protection is constitutional. In all cases, when put to the test in our courts, it has been decided unconstitutional. In the absence of judicial support, its beneficiaries attempt to throw around its provisions a mist and fog that continues to deceive the people, and thus perpetuate its benefits to them.

The American people have long since learned that the taxing power is one of the most convenient instruments, in the hands of bad and vicious men, to draw the wealth from the producers into the coffers of the protected that has ever been devised. This power was known to the despots of the Old World thousands of years ago. They exercised and forced it upon their subjects in a more open and fearless way than we do, but no less effective. They did not resort to stealth and deception to obtain their exactions. The king sent out a file of soldiers and collected whatever revenue he wanted from the people by the force of arms. The Committee on Ways and Means comes into this House with a bill claiming to be for the purpose of raising more revenue for the Government than the existing law. It is claimed by them that we are not collecting under the present law, by twenty-five or thirty million dollars, enough to pay the current expenses of the Government at the present rate of expenditures. I presume there is no man upon this floor but who is willing to vote for a revenue bill that will raise sufficient money to pay every dollar of legitimate expenses of this Government. But is this bill under consideration such a measure? I have hurriedly looked over its provisions, and I am forced to the conclusion that the country must not look to its adoption for any relief. I have no doubt that it will help a large number of manufacturers, those men who were here and furnished the committee with schedules of their respective wants. They will be enabled to increase the price of their products to their patrons, but I can tell the farmer, the laborer, and the merchant and business man that they need not expect any change from present conditions.

Mr. Chairman, class legislation has borne its natural fruits, and the dangers entailed are now confronting us. For more than a quarter of a century a sharp and relentless contest has been waged between the protected few, who receive all the benefits of protection, upon the one hand, and the toiling millions who do



the protecting upon the other. The Republican party, born of sectional hate and class privileges, naturally espouse the cause of the protected few, while the Democratic party, being the party of the people, coming from the masses, has always defended and legislated for all the people. Consequently, we have the present issue tendered in this bill, a contest between the classes and the masses. The success of the policy of the Republican party has always been followed by the success of the classes, while the success of the Democratic party has always resulted in the welfare of the masses.

Mr. Chairman, we must have taxation to support this Government, but its levy must be placed upon wealth, without discrimination. From the beginning of time taxation in some form was instituted by all nations as a necessary attribute of power: Excessive and unjust taxation by the decrees and statutes of government is almost as old as the expulsion from the garden. With the precedence of the ages before us we are told that the old McKinley rates of protection are to be restored in this bill, and they are to become the tariff law again. They have not only restored the McKinley rates, but raised them 8 per cent higher. It would seem that the disasters and wreck of fortunes that followed McKinleyism should admonish us never to enact such laws again. However, the majority tell us that they intend to reenact substantially the old rates of the McKinley bill. Upon that basis we can make some calculation of the effect it will have upon the country. The Wilson law reduced the price on the necessities of life about one-half below the McKinley bill. It cheapened the price of woolen clothing to the consumers annually \$140,000,000; lumber, \$61,000,000; agricultural implements, \$10,000,000; in the aggregate more than \$400,000,000 on the necessities of life.

Now it is proposed by this bill to put that \$400,000,000 and more back upon the people, to be carried and borne each year by them. For thirty years the powers of this Government have been used, like a private piece of machinery, in the interests of capital and against labor. The capitalists in this country have arrogated to themselves the rôle of foreign lords, and money has assumed the place of the nobility of the Middle Ages. This protected creditor class now assumes to dictate to the whole country the rate and method of taxation; also the quantity, kind, and quality of money the people shall have and how it shall be used and distributed, without consulting the debtor class. This condition is inconsistent with our form of government, and I am glad to know that a large portion of our people have attained that degree of intelligence that prompts them to rise up and throw from their shoulders these burdens heaped upon them by a plutocracy. No people since the days of the Pharaohs have uncomplainingly submitted to such heavy burdens under the hypocritical plea of protecting American labor. They have established an arrogant plutocracy, which comes into this Chamber to-day and shakes the gory pound of flesh extorted from the starved vitals of the wealth producer under the McKinley bill as their insignia of triumph; but the gentleman from Maine asks his party to go one step further and demand the blood as well as the pound of flesh. A Christ died for all, but it was never decreed that labor should starve that capital might live. The records of our country clearly show that since silver was demonetized and the protection theory adopted farm products, prices of labor, and our shipping interests have steadily declined.

When we look back over the long pathway of ruin, misery, and want which the force of class legislation has entailed upon the wealth producers of this vast Republic, still we find a patient, quiet, industrious people making every concession necessary to the development and perpetuity of a common country. Labor troubles were unknown until the Congress of the United States commenced its system of protecting capital, wealth, and idleness, and denied to the wage earner equality before the law—making one law expressly for the capitalist and another law for the laborer and the farmer, claiming that it was nominated in the bond that the lifeblood of labor should flow for the benefit of capital. The effect of these discriminating laws brought discontent, strikes, lockouts, closing of mills, reduction of time and price of labor, and limiting product. Gentlemen may reply that a Democratic Congress enacted the Wilson law. That we admit. It was the best we could do at the time. It was not what we wanted or what we would have given to the country if the Senate had been purely Democratic. The Senate was under the control of the protectionists, and the only reduction that we could secure was about 10 per cent under the McKinley bill.

No tariff at this time can give substantial relief to the country. The restoration of silver as primary money is the talisman that would inspire the wealth producer, and in the absence of silver's restoration, the cry of want and poverty will go on with the toiling millions. Great fortunes are melting away, old business houses are being wrecked, banks are closing their doors, and there is a general stagnation of business throughout the country, while we have the highest tariff known, except the McKinley tariff. All this ruin is taking place now, with a high tariff and a gold standard. Why do we not have prosperity? Mr. Chairman, I attribute the larger part of all the distress now in this country to the demon-

tization of silver. I feel assured that the Republican majority upon this floor are conscious of the disasters that their tariff laws and financial legislation have brought upon the people, and they ask us now to go further and increase these disasters, in order to effect a remedy. They have decided to raise the tariff taxation still higher, as the bill now before the House fully demonstrates. Dingleyism is no new political factor in Republican legislation. It is a faithful reproduction of McKinleyism, that brought desolation and ruin upon the country six years ago.

Mr. DINGLEY has appealed to this House again to lay the heavy hand of taxation upon food, clothing, fuel, and shelter, to increase the burdens upon the taxpayers \$112,000,000 annually; and if we are to be governed by all economic writers, the tax on domestic products will be enhanced five times that amount, which would be \$560,000,000, which would go into the pockets of these protected gentlemen, while only \$112,000,000 would be paid into the Treasury of the United States. The extortion of this bill surpasses all predecessors. It is 8 per cent higher than the McKinley bill, and 18 per cent higher than the Wilson bill, and the amendments that are now being offered will make the bill when it leaves this House more than 9 per cent over the McKinley bill. Its fourteen schedules are so craftily constructed and the rates of duty so confused that it will be a long time before the people will know the full extent of the burden which it really imposes.

The title of the bill does not import its purposes at all. Mr. DINGLEY says it is a bill to provide revenue for the Government and to encourage the industries of the United States. It should have been called a bill to give prosperity to the trusts, syndicates, and corporations, and impose penalties upon the consumer of their goods. I am at a loss to understand how relief can be brought to the people by raising their taxes higher, and at the same time reducing the amount of money in the country to pay them. I can well understand how they might be benefited by reducing expenditures, with a corresponding reduction of taxes. This proposition to raise the tariff still higher is coupled with the declaration that it will help the farmer and the laboring man, but we see that the higher they raise the tariff, and the more the gold standard is enforced, the lower the price of farm products and labor go. To-day, with the gold standard fixed and the highest tariff tax ever known, except one, labor never had so little purchasing power of the necessities of life, and the farmer never had less reward for his toil.

The first year that the McKinley law began to show its effect upon the business of the country, all productive property, farm products, and labor commenced to decline in price, and have continued, notwithstanding the Wilson law, to this hour. It brought poverty with its skeleton hand, and marked the doom of impoverished labor upon the face of wife and children. These victims of mock protection, in the midst of their beggary and despair, look about their little homes which were made desolate by this avarice. They reason with themselves and say, "Here we have spent our days, here were centered all our hopes, the place where our children were born, where we expected to live in peace and quiet until old age should call us away; but, instead of prosperity, debt and inability to pay came upon us." Mortgages came. The walls of the house were unpainted, the roof would no longer resist the falling rain, the fences were falling down, the barn was going to decay, and the children without education. The laboring man says: "I know that I have been industrious and so have my family. I have been frugal in my home, and economy has obtained with all. Why is it at the end of the year I find I am no better off than when I began the battle of life? I have barely kept even with the world; but, upon the other hand, I have seen my protected employer, who gets my labor, growing richer every day."

The advocates of this bill will unblushingly tell this man to be of good cheer, that prosperity will come back to him, because they have increased the price of every necessary article that he has to purchase for his home; that for his benefit they have placed on the free list acorns, snails, asafetida, bladders, skeletons, and human hair. On election day these protectionists and gold gamblers will go to this man and tell him all that is necessary for him to do is to vote the Republican ticket straight and have confidence, which is the panacea of all economic ills. What impudence! This whole doctrine that protection is for the benefit of labor is a cheat and a fraud. Such statements are based on cupidity and avarice alone. Falsehood has a mortgage upon every word of it. Hypocrisy lies concealed, like a poisonous serpent, in the outline of the assertion. In all the millions of laborers in this country who have toiled from year to year in the protected factories I challenge any and all gentlemen on that side of the House to tell us of one man who has ever received one cent more in wages because of protection.

Gentlemen, that man has never been found and never will be. This willful and pernicious falsehood has run its full course, and will receive its condemnation by the people. Any man of ordinary intelligence knows that a tariff on the goods he is compelled to purchase does not and can not protect him who has only his labor to sell. There is no power granted to the laboring man, either by organization or combination, that will enable him to protect

himself from this mock protection. Protection is a heresy born of imperial stock and has no place in the economy of popular government. It is an enemy of our institution and a blight and mildew upon our prosperity. There has been since the days of Alexander Hamilton a class of people in this country who have persistently claimed that capital invested in manufacturing should have an advantage under the laws of the country over the farmer and the laboring man. The 70,000,000 people of the United States will be compelled by this Dingley law to surrender a large share of their earnings to about 805,000 persons who have their capital invested in protected industry.

If protection is for the benefit of the laboring man, why is it necessary to make the employer the custodian of the taxes which the Government levies for his individual benefit? I tried very hard yesterday to get the floor in order to offer an amendment providing that each protected manufacturer receiving protection under this law should keep an accurate account of all such moneys received by him, and at the end of each month pay it out to the laborers in his employ, but the gag rule has been enforced since the bill was reported, and I had no opportunity to do so. I would be pleased if some of these vehement advocates of protection would point out one manufacturer in the protected industries who computes the protection that the laborer is entitled to and pays it over to him in addition to his daily allowance. Take the long catalogue of the various protected industries of this country and examine their scale of wages and you will find that the wages of labor in them upon an average is no higher than in the nonprotected factories. The Committee on Ways and Means of this House, which has been charged with the creation of a new revenue law, has been besieged day after day by those who grew rich under the McKinley tariff, demanding that the rate of tariff duties be increased on the particular articles they manufacture in order that the poor laboring man will receive better wages.

Mr. Chairman, when the manufacturer of woolen goods was before the Committee on Ways and Means, did he explain to the country what he did with the 90 per cent protection which he received on his goods under the McKinley law, or the 40 per cent protection which he now receives under the Wilson law? Did he tell the committee that the entire labor cost was only 20 per cent? Was he endowed with sufficient honesty to tell the committee where the 70 per cent net protection over all labor cost went to, or the 18 per cent under the Wilson law? Has this Christian gentleman ever revealed this fact to the country? If so, they have never been so advised. In order to make this scheme of robbery and deception perfectly transparent, I submit a statement from the last census report, that this claim of protecting labor is a mere subterfuge, that labor does not share in the protection to the manufacturer.

	Labor cost.	Tariff under McKinley Act.
1 ton of steel rails.....	\$1.00	\$13.44
\$100 worth cutlery.....	44.24	80.11
\$100 worth window glass.....	53.09	98.30
\$100 worth mats and matting.....	34.90	98.50
\$100 worth silk piece goods.....	22.54	60.00
\$100 worth cigars and tobacco.....	34.51	125.30
\$100 worth woolen and worsted cloths.....	20.85	100.02
\$100 worth pottery.....	45.96	60.00
\$100 worth pearl buttons.....	30.69	143.61
\$100 worth cotton goods.....	24.24	57.08
\$100 worth linen goods.....	32.92	54.00
1 ton of pig iron.....	1.50	4.72
1 ton of bar iron.....	4.57	52.98
1 ton of coal.....	.50	.75

This table and the whole tariff bill, not only of 1890 but of 1894, show that labor is a small factor in their construction. This practice of lying to the laborer has grown so old that the men who receive these benefits act simply from the force of habit. It makes no difference with these beneficiaries of protection. If the tariff is raised they reduce the price of labor, and if the tariff is reduced they likewise reduce the price of labor, so if the tariff goes up or goes down, labor always goes down. The tariff has nothing to do with labor, except to oppress it. No human enactment can change that immutable law of supply, demand, and skill. It is simply astounding to hear men of good intelligence and business ability arguing before a committee in this country and claiming that a tariff that enhances the price of their goods is for the benefit of the man who creates them with his labor and has them to buy. If such men could be arrested for betraying the common business trust, which a confiding Government allows them to follow, it would take all the room of the public library to hold the indictments. If their statements were true, the Government leaves the poor laboring man just in time to let the monopolists get the funds that the advocates of protection claim is for the laboring people. If the Government is to take charge of the labor question, it must appoint an agent at every protected factory to collect the protection money and see that all the laborers

get their share. That is the way the Government gets its taxes from the distilleries. The Government ought to show the laborer as much consideration as it does whisky. If the laborer is to be the beneficiary of this pretended protection, it is susceptible of demonstration and should be revealed to the country.

How many protectionists have been kind enough to explain to us what part labor gets out of the profit which protection gives to the employer? Not one. The lowest estimate of the increased price that the consumer has to pay because of protection in this country is \$600,000,000 annually. What laboring man has ever heard of this vast sum being distributed by the protectionists to the wage earners, or any part of it? What an object lesson could have been furnished to the laboring man and the farmer had they been permitted to be present at the meeting of the Ways and Means Committee, when the capitalist was there, pleading that protection might be sustained for their benefit! There was the steel baron, the iron king, the president of the glass trust, and the secretary of the tin trust, all there claiming to be in the interest of the farmer and the poor laboring man; in fact, the protected interests were there, from the greatest to the least, leaving their homes for weeks at a time, traveling thousands of miles in Pullman coaches, stopping at the best hotels, incurring vast expenses, drinking the finest of wines and banqueting the influential members of the Committee on Ways and Means, and then going before the committee and pleading the cause of the poor workingman and the farmer, never asking for legislation that would benefit themselves, willing to make these great sacrifices for the poor.

Such exemplary and holy abnegation and personal sacrifice has never had a parallel since the Saviour was on earth. Such disinterested love of their fellow-man as they exhibit should be immortalized in poetry, bronze, and song. A few short years ago the people were reminded by these apologists for protection and political prophets that the only remedy that could eliminate and relieve the panic and the stress upon the country was the unconditional repeal of the purchasing clause of the Sherman Act. That act was repealed, and no relief has come from it, as any man of thought well knew. More recently we were told by these protected gentlemen, the Republican speakers, and subsidized press that as soon as Mr. McKinley was elected, confidence would be restored immediately, prosperity would dawn upon the country, the mills would be opened, and the price of labor and farm products would suddenly rise. It may not be necessary, yet I will remind you gentlemen, that the McKinley law was in full force for years, and that the gold standard has been in full force and is now administered entirely by its friends; still depression in all forms continues in its greatest severity. All such legislation as this, that strikes at the wage earner and the farmer, will be disastrous to the whole country, and the Dingley bill is no barrier to this tide of desolation.

Levy your tariffs as you may; search all the schemes devised by the decrees of kings and legislative bodies; you may tax incomes, corporations, the lands of the farmer, moneys, and credit, or property of any kind; make your laws of taxation as you will, there is no escape for the toiling masses whilst one-half of the primary money of the country is destroyed. Every dollar of taxes, both State and national, is paid by the producers of wealth. Congress has no power to produce wealth or to distribute it. It is no information to the members on this floor to tell them that labor is the first great factor in human welfare and happiness. The people who do not labor create no wealth, adding nothing to the stock or the world's development. Stop the plow in the furrow, the pick in the mine, and the ax in the forest, and prosperity must cease and civilization stand still. Mr. Chairman, protection run mad in the form of selfish legislation has arrayed capital against labor, destroyed that harmony, peace, and cooperation that should obtain for their mutual welfare. Capital, by Congressional favor, has grown arrogant and tyrannical, claiming the mastery over its creator.

Mr. Chairman, the issue is now fairly made up. Shall we reenact McKinleyism and perpetuate the British gold standard, the blighting edict that has crushed labor down to its present distressed condition and forced the prices of farm production below the cost of production, or shall we enact a tariff that shall give equity to all legitimate business, labor as well as capital? Coming from an agricultural district, and knowing the laboring man and the farmers of this country as I do, I am frank to say that they are not asking for special advantages over their fellow-men; they are not beggars asking charity from the Government; they have not authorized their protected self-appointed bosses to come to this Capitol and ask alms for them; all they do ask is that they shall have the right to labor and enjoy the fruits of their own toil. They simply demand their God-given right, under the law, that the revenues of the Government shall be raised by the taxation of the property of all the people.

Upon this question I have taken my stand by the side of the farmer, the toiling masses who are now discriminated against, and to the full extent of my ability there I shall do battle in their



behalf until every discriminating law shall be repealed, every shackle shall be broken, and all honest laboring men shall stand forth without a chain. As long as the laboring man is permitted to use the ballot there will be no peace, and there should be none, until labor and capital stand upon a perfect equality under the laws of this country. I claim nothing for labor I would not accord to capital under the same conditions; I simply want to see the barriers broken down that keep labor and capital at enmity and establish a lasting friendship that shall be beneficial and absolutely necessary to the welfare of both. The capitalist that comes before the Committee on Ways and Means now and claims that he wants a high protective tariff placed upon the goods that he manufactures for the benefit of the men who work in his factory is a miserable hypocrite, and he knows that his claim is not honest, and we are now asked to take these known falsehoods as the basis upon which we will legislate and make laws for the whole country.

Mr. Chairman, if there is one pretense of these clamorous protectionists that deserves condemnation more than another, it is their claim that protection raises wages. The factory that gets 100 per cent protection pays no more for labor than the factory that gets 20 per cent or no protection at all. If protection raises wages, it would necessarily follow that we should see the highest wages paid in those factories which enjoy the highest protection. Does the protected manufacturer pay the railroad company any more for hauling a carload of protected goods than he does for hauling a load that is not protected? Does the protected manufacturer pay the drayman any more for hauling a load of protected goods to the depot than he does for hauling a load that is not protected? Every Republican in this House knows that he does not. Every member of Congress is daily receiving the poisonous statements of this protected class in all their deceptive forms, appealing to this body to protect capital at the expense of labor. They do not hesitate to tell us, notwithstanding that poverty, misery, want, and idleness obtain throughout the country, that they will have to reduce the price of labor unless they can get an increase of tariff duty. There is not a man in this House but knows that 85 per cent of the protected factories that are asking for higher tariffs have reduced the price of labor under the McKinley law as well as the present law. The journals that are published and circulated in the interest of protection are full of accounts of the reduction of labor and the closing of mills. At this point I desire to insert one of the most able and conclusive arguments of one of the leading manufacturers of agricultural implements in the United States, Mr. A. B. Farquhar, of York, Pa.

*To the Ways and Means Committee, House of Representatives:*

HONORABLE GENTLEMEN: You have, naturally, in your public hearings of testimony and recommendations and pleas for amendments to the revenue laws, had far more to do with those desirous of increased duties than with those in opposition. The interest of people in quest of favors is always more intense, as well as more definite, than that of people who have simply to protest against granting favors to others at their expense; though the former may be a few and the latter 70,000,000, yet your committee may easily hear much from the small number and nothing from the great. Easy as it is for all concerned only as individuals of the 70,000,000 to be silent, thinking that where no peculiar interest exists no peculiar exertion is called for, yet the easy course is sometimes the wrong course. Personally, I have nothing to ask of your honorable body, except that you will refrain from putting obstacles in the way of my business, and from strengthening the arms that are aiming a blow at my interests; otherwise, my cause is merely identical with that of the great mass of your fellow-citizens. What is best for them is best for me, and might be asked as well in their name as in mine.

The great practical problem before us, as before all nations and people, is how to apply the force and opportunity at our command so as to derive from them the greatest net result in comforts and conveniences of life. That application of human labor which brings the largest result in these comforts is the one that best serves the body politic and thereby raises to the highest point the demand for labor, and hence the reward for the laborer. Since the best paid labor is, therefore, the kind that produces most, it may easily follow that such labor is of exceptionally low cost in proportion to product. We know that this is true in some instances. The wheat of our Western States must necessarily be produced at a lower labor cost than that of Egypt or India, because it sells freely in the same British market to which the cost of transportation is greater. And yet our lower cost is made up of payments at the rate of \$1 a day, while their higher cost is paid at rates not far from 10 cents a day. This is possible, partly because the Western laborer furnishes labor of higher quality than the ryot or fellah; partly because it is better directed, by improved machinery and better methods.

A similar state of facts exists in all productions that meet foreign competition on equal terms. No labor in the country receives better pay than that employed on exportable goods in direct competition with foreign labor, wages running high, although the price of the product is low, and proving really cheaper because directed by higher brain power.

Some years ago I visited a large agricultural implement factory in England at the invitation of its owner, a member of Parliament. I found plow handles and beams produced in that factory at a labor cost of more than \$1, while similar work cost us but 10 cents at our factory in York, owing to our superior machinery and methods, so that our cheaper labor, at considerably higher wages, fully made up for the disadvantage at which we were put by greater cost of raw material.

I then and there told the proprietor that the trade would all come to us unless he improved his method, and, to make a long story short, it has all come to us. Our works manufacture practically all of that description of plow now sold, perhaps 20,000 a year.

Now see what must necessarily be true if our plows sell in South Africa side by side with those of English make, as I have shown they easily do, if our transportation charge is higher, as it must be when we have to ship by way of England. If our raw materials, lumber excepted, are more costly, as any inspection of comparative prices will instantly prove, then our firm

must either draw no profit or be at less expense for labor. No other conclusion is possible unless some way can be found for making larger subtractions from the same sum without leaving smaller remainders.

Since our business affords enough profit to justify continuance in it, and the profits of our English rivals are not inordinate, the only possible conclusion is that there is less labor cost in our plows than in theirs. The fact of cheaper labor, which is demonstrated by actual observation in my business, supported by similar observations in other business enjoying like advantage of more efficient machinery and superintendence, must necessarily apply to all labor employed on exportable products.

Work on merchandise for export is especially highly paid by the day, and it is exactly this high-paid labor that is really the cheapest labor. What is called "pauper labor," the kind that is ill compensated, is practically a very dear kind. Every sagacious manufacturer having a piece of work which brings him particularly low profit, on which economy in every kind of cost is particularly necessary, puts his best-paid workmen on just that piece. If he dreams of sparing labor cost by doing otherwise, he simply converts his margin of profit into a net loss.

The fact that we are exporting steel rails to Canada, Japan, and elsewhere in the face of English competition, and iron to England itself—something we never could do until the approaching exhaustion of England's iron supply—puts us less at a disadvantage for raw material; and the further fact that never in its history has the country made anything like so large an export of manufactured goods and machinery as during the last year, aided by the cheaper raw material allowed us in the Wilson bill, show what we could do with raw material free; show, indeed, that very many, if not the majority, of manufacturers would have no use for protection if we could go to work on that basis.

Again and again I have declared distinctly and publicly that I desire no import duty on agricultural implements. The duty was swept away in the Wilson Act with my cordial approval. The harm that such duties do to producers who can export is that they suggest and encourage retaliatory duties in the countries that buy of us. The only possible good they do is to enable manufacturers, by combination, to extort higher prices from their fellow-countrymen than from foreign customers. It is with just that motive that many a man asks Government assistance in charging more for his goods than he sells them for in Europe and beyond the tropics. It is just that motive that you cherish and hold up as worthy of praise when you allow drawbacks of duty on goods exported. By that piece of legislation you declare, as plain as words can put it, that foreign customers are the ones you select for favor, while home customers are entitled only to be fleeced.

You wish to aid the American workman. So do I. But, observing, as I do, that he never before received so large a proportion of earnings as he has under recent legislation, and that all possible increase in exported manufactures constitutes additional demand for his labor, I conclude that what he wants is a larger export business. There can not be an increase of importations, demand for money on both sides continuing unchanged, without creating a demand for exported products of agricultural and mechanical labor. If absolute free trade were decreed to-day, American needs and desires would be met only by use of the product of American workmen, as they have been in the past. If those workmen should be employed a little less in making things that go directly to the consumer and a little more in making things that go abroad, to be exchanged for the things the consumer wants, his labor would be none the less demanded, while its application to something it can produce to better economical advantage would insure its being better rather than worse paid after business had adjusted itself to the new conditions.

If I did not believe that I could carry on my manufacturing for what the public would pay freely without Government interference to force fictitious profits, I ought to close up and go at something fitted to my size. I am ready to say the like for my brother manufacturers. If they are not lost to all sense of shame, they must blush to come whining before Congressional committees for a chance to extort extra profits, like a cur for a bone, especially when with this is associated the hypocrisy of pretending that what they seek thus to draw into their own pockets is all taken in trust for the sole benefit of the poor workmen, even if we disbelieve all rumors and disregard all suspicions of campaign contributions and other forms of more or less disguised bribery. And then to think that this craven fear of foreign competition, this cringing dependence on the work of the lobby and on legislative Congresses, is so unnecessary! But for this huge confidence game but for this blighting curse on our industrial independence, the country could step forward at once and become the great source of the world's supply. The predominance in the iron business, in spite of our carefully calculated and persistent efforts to leave it in British hands by oppressing our export trade, has at last come to us. The mines of Britain will not long repay working, while ours are practically inexhaustible.

The chief object I have in addressing you is to make the most earnest possible protest against the calling of an extra session in the spring. I hear that this proposed extra session for the purpose of pulling our revenue laws to pieces is usually advocated as necessary, not because some favorites of Government, large campaign contributors, perhaps, need to have their profits enhanced at the public expense, but because, forsooth, the country needs more revenue. The country would not need more revenue if it would judiciously spend what it has. If its lawgivers would cut down the list of pensioners to those who have an honest claim, and thereby make that list a true roll of honor; if they would frown on public building and river and harbor demands; if they would abstain from waste of public money in useless military defenses and naval armaments, the revenue now provided would more than suffice them.

But, entirely apart from these considerations, the association of increased revenues with such an overloading of the tariff as you are asked to make and are supposed to contemplate is a shame and a swindle, and you know it. You have no certainty—in fact, no good reason for believing—that an increase of protective duties will bring more revenues. The country's income diminished greatly under the McKinley Act, and was actually considerably less during the last year that act was in operation than it has been since duties were reduced. You are perfectly certain, on the other hand, that revenues would be considerably increased by a slightly higher internal tax on beer and tobacco, with moderate duties on tea and coffee. In fact, a higher rate on beer alone—one which the consumer would be insensible of—would quite counterbalance the deficit in the Treasury. If you sincerely wanted more revenue, you would recommend such a measure as this at once, and your recommendation could be made into law in a week.

The extra session is evidently desired for a very different purpose than to increase the public revenues. It is desired because those who are moving for it would rather increase the cost of the workingman's clothing than that of his beer. It is desired because they would rather tax the lumber that goes to build his house than the luxuries he would be better off without.

It is superfluous to remind you that the talk of an extra session is unsettling business; is locking up capital that would go at once into productive enterprise if assured of the continuance of present conditions; is depriving labor of employment by repressing enterprise; is only welcome to those who, in one way or another, prey upon the public—because you know it and you see it. You know it by your reason. You see it in the basket with which

reviving business, after the forward start that followed the national election, has so disastrously met. Leave the tariff alone; let business be undisturbed and enterprise assured of some degree of permanence; give us security instead of a legislative earthquake, and you will be surprised to see the prosperity that will follow your patriotic abstinence.

A. B. FARQUHAR,  
President of the A. B. Farquhar Company, Limited,  
Manufacturers and Exporters of Agricultural Machinery, York, Pa.

This comes from a man who does not deal in theories and speculations to deceive the toiling people.

Mr. Chairman, I wish to insert a table in my remarks showing the cost of labor under the different tariff bills of this country and Great Britain:

	Duty under tariffs of—			Labor cost.		
	McKinley.	Wilson.	Dingley.	United States.	Great Britain.	Difference.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Carpets .....	61	30	50	20	16	4
Clocks .....	82	50	80	35	25	10
Hats and caps .....	80	35	90	27	21	6
Shawls .....	88	40	112	22	20	2
Clothing, ready-made .....	94	49	87	30	24	6
Blankets .....	80	35	80	18	16	2
Flannels .....	100	35	100	20	17	3
Yarns .....	100	30	100	21	17	4
Women's dress goods .....	102	40	102	15	15	0
Knit goods .....	94	48	76	16	13	3
Glass .....	51	35	52	34	34	0
Tobacco .....	117	100	164	21	16	5

I present this selection of articles because they are the real necessities of life. The Committee on Ways and Means have thought proper to place upon these articles an average duty of 91 per cent, as they claim to make up the deficiency between the cost of labor in this country and Great Britain, but the real facts are that the difference is less than 8 per cent, and if we count the time that it takes the Englishman or any other people to produce the article, and the time that it takes the American workman to produce the same thing, then you gentlemen will discover that we pay less wages to produce the same amount of goods than any country in the world. Our people can produce more of the products of genius and skill in a given time than any other people. Give us free raw material and the world's markets are ours. Such wild statements as our Republican friends are making they do not mean, and can not be seriously considered by this House. They know that the average labor cost of producing these articles in this country is less than 20 per cent, but Mr. DINGLEY and his committee have the audacity to come into this House and ask the members of this body to vote a tax of 91 per cent upon the consumers of these goods, to make up a difference of labor cost of only 8 per cent. He asks us to force upon the country a law that taxes the consumer four times the American cost of all the labor that creates the goods, not the mere difference between this country and Great Britain.

What transparent declamation is this claim of wanting to protect the American laborer. A tariff of 20 per cent protects labor to the full cost of production of every schedule in this bill. I ask the Ways and Means Committee why you are not willing to put the duty at 20 per cent; that would protect American labor from all competition in this country. By this duty the manufacturer would receive sufficient duty to pay for all his labor. It would not cost them one cent to produce their goods. Take out of this proposed duty of 91 per cent the 20 per cent cost of labor, that would leave 71 per cent, which would more than pay the cost of raw material, and you see if this bill becomes a law, the entire cost of all the labor and all the raw material for the manufacturer will be paid by the consumer. Why not give to the farmer 91 per cent of real protection—an export duty—not mere mock protection, so that the consumers of their products would be compelled to pay them for all their seed grain, the plowing of the land, the harvesting and the thrashing of their grain, and of carrying it to market?

I ask the gentlemen on the other side to explain why they propose to levy a duty of 91 per cent in this bill, when 20 per cent will pay more than all the labor-cost of production. May I inquire what you propose to do with the 71 per cent difference? No gentleman dare answer or can answer. They will not offend the patron saints that stand behind this bill. There is but one answer to this question; that is, this bill is drawn to give that to the manufacturer. When this bill is analyzed and understood by the people, it will be pronounced infamous. No man ever commits a crime without having an apology for it. Not one of these men has shown that he has sold his goods one cent cheaper, or even marked them to sell at a lower price. They are quick and ready to reduce the price of labor, but very slow to reduce the price of their goods. These pretended humanitarians and philanthropists are perfectly willing to starve their laborers and their wives and

children as mere arguments to Democrats of this House, hoping thereby to induce them to pass a bill that will continue to rob the laborer for the benefit of their selfish gain.

You gentlemen on the other side of this question will find that the Democratic party is not only opposed to giving capital a supremacy and control over labor, but they will ever be found insisting upon equality of rights and the enforcement of the fundamental principles of justice. I hold that a tariff solely for protection, as advocated by gentlemen on the other side of the House, is clearly unconstitutional—practically the courts have so decided—but if the dignity of the law is insulted by levying a tax on the public for private interests, or the principles of equity and justice be debauched by placing on 'y one dollar in the Treasury and five in the pocket of the protector, it seems to me a Congress that wants to truly represent the people would call a halt. In one year our people used nearly \$20,000,000 worth of blankets. The average tariff was 70 per cent, but the home blanket makers, being satisfied with adding but 60 per cent to the otherwise price, forced the blanket users to pay over \$7,000,000 extra on blankets. So few were imported that the Government received but \$800 duties during the year.

Under this new blanket tax the Government got \$1 into the Treasury for each \$100 of duty, and \$75 of that went into the pockets of the protectionists. Would the law have been any more of a violation of the Constitution had it given the other dollar to the blanket maker? While this was enlightened and patriotic statesmanship, what a fine line it is that divides the criminal from the saint! But let us lift the veil and see what stupendous wrongs are marshaled behind this policy which the people in their mistaken zeal have long defended with their votes. The Democratic party by 6,500,000 votes ratified their declaration made at Chicago for commercial and industrial freedom. I commend these great truths to the gentlemen on the other side of this House. I ask you to read our platform and obey the mandates of the court.

#### TARIFF RESOLUTION.

We hold that tariff duties should be levied for purposes of revenue, such duties to be so adjusted as to operate equally throughout the country and not discriminate between class or section, and that taxation should be limited by the needs of the Government, honestly and economically administered. We denounce as disturbing to business the Republican threat to restore the McKinley law, which has twice been condemned by the people in national elections, and which, enacted under the false plea of protection to home industry, proved a prolific breeder of trusts and monopolies, enriched the few at the expense of the many, restricted trade, and deprived the producers of the great American staples of access to their natural markets.

Until the money question is settled, we are opposed to any agitation for further changes in our tariff laws, except such as are necessary to meet the deficit in revenue caused by the adverse decision of the Supreme Court on the income tax. But for this decision by the Supreme Court there would be no deficit in the revenue under the law passed by the Democratic Congress in strict pursuance of the uniform decisions of that court for nearly one hundred years, that court having in that decision sustained constitutional objections to its enactment which had previously been overruled by the ablest judges who have ever sat on that bench. We declare that it is the duty of Congress to use all the constitutional power which remains after that decision, or which may come from its reversal by the court as it may hereafter be constituted, so that the burdens of taxation may be equally and impartially laid, to the end that wealth may bear its due proportion of the expenses of the Government.

This platform faithfully restates the doctrine of the Democratic party from the foundation of the Government to this time, and I now submit with great confidence the long line of decisions of our Federal and State courts that fully vindicates our position on this question of Federal taxation:

#### UNCONSTITUTIONALITY OF A TARIFF FOR PROTECTION.

The Supreme Court of the United States and the courts of the several States have denounced taxation in all its forms, when imposed to protect or build up manufacturing interests and industries, and for any purpose other than for public use in running the necessary machinery of the Government, as spoliation and legalized robbery.

In the case of the Loan Association vs. Topeka, in 20 Wallace, 657, Judge Miller, delivering the opinion of the court, stated the doctrine in language that has been repeated over and over again, but it will bear repetition. An attempt was made to tax the people of the city of Topeka under the authority given by an act of the legislature so as to issue one hundred bonds of \$1,000 each to establish the King Wrought Iron Bridge Manufacturing and Iron Works Company of Topeka, and to aid in encouraging that company in establishing and operating bridge shops in said city in pursuance of an act of the legislature, which had plenary power, certainly as much power as the Congress of the United States has under the limited power given in the Constitution, which is to lay and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general welfare of the United States. Certainly the power of the legislature that imposed the tax is as broad as the power we have, as all power not granted is reserved in the Constitution to the States and the people. The people of Topeka refused to pay the interest upon the bonds. Suit was brought. The case came to the Supreme Court of the United States, and Judge Miller, in delivering the opinion of the court, uses this language:

"The power to tax is, therefore, the strongest, the most pervading, of all the powers of the Government, reaching directly or indirectly to all classes of the people. It was said by Chief Justice Marshall, in the case of McCulloch vs. The State of Maryland, that the power to tax is the power to destroy. A striking instance of the truth of the proposition is seen in the fact that the existing tax of 10 per cent imposed by the United States on the circulation of all other banks than the national banks drove out of existence every State bank of circulation within a year or two after its passage. This power can as readily be employed against one class of individuals and in favor of another, so as to ruin the one class and give unlimited wealth and prosperity to the other, if there is no implied limitation of the uses for which the power may be exercised. To lay with one hand the power of the Government on



the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes, is none the less robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree under legislative forms. Nor is it taxation.

"A tax," says Webster's Dictionary, "is a rate or sum of money assessed on the person or property of a citizen by government for use of the nation or State." "Taxes are burdens or charges imposed by the legislature upon persons or property to raise money for public purposes." Coulter, J., in *Northern Liberties vs. St. John's Church*, says very forcibly: "I think the common mind has everywhere taken in the understanding that taxes are a public imposition, levied by authority of the Government for the purpose of carrying on the Government in all its machinery and operations—that they are imposed for a public purpose."

In that case he calls attention to a very large number of authorities. Judge Miller says further:

"If it be said that a benefit results to the local public of a town by establishing manufactures, the same may be said of any other business or pursuit which employs capital or labor. The merchant, the mechanic, the innkeeper, the banker, the builder, the steamboat owner, are equally promoters of the public good, and equally deserving the aid of the citizens by forced contributions. No line can be drawn in favor of the manufacturer which would not open the coffers of the public Treasury to the importunities of two-thirds of the business men of the city or town."

I desire to call the attention of the distinguished gentleman from Maine, Mr. DINGLEY, to the fact that the Supreme Court of the United States, and especially the supreme court of his own State, contradict every word of his contention that a protective tariff for the benefit of manufacturers is constitutional:

The Supreme Court refer with approbation to cases decided from the State of Maine, embracing exactly the same principle, that whether taxation is in the form of a direct tax or in any other form, it makes no difference; whenever property may be seized or levied on to enforce the payment of the burden imposed on property, it is as much a tax in one form as in another, and all men whose opinions are entitled to any respect admit that the tariff is nothing but a tax. But when it is imposed for revenue purposes I agree that it is constitutional; when it is laid for subsidy or the protection of special interests, I insist it is unconstitutional, null, and void. In that I am fully sustained by the very able opinions by all the judges of the State of Maine, delivering opinions *seriatim* when questions were propounded to them by the State legislature. (See 55 Maine Reports, page 590, etc.) The leading question was:

"Has the legislature authority under the constitution to pass laws enabling towns, by gift of money or loan of bonds, to assist individuals or corporations to establish or carry on manufacturing of various kinds, within or without the limits of said towns?"

The judges took up the question submitted to them. Among other things, the three judges who signed the first opinion, Chief Justice Appleton, Judge Walton, and Judge Danforth, used language some of which I will read. They said:

"Taxes are the enforced proportional contribution of each citizen out of his estate, levied by authority of the State for the support of the government and for all public needs. They are the property of the citizen taken from the citizen by the government, and they are to be disposed of by it.

"There is nothing of a public nature any more entitling the manufacturer to public gifts than the sailor, the mechanic, the lumberman, or the farmer. Our Government is based upon equality of rights. All honest employments are honorable. The State can not rightfully discriminate among occupations, for a discrimination in favor of one branch of industry is a discrimination adverse to all other branches. The State is equally to protect all, giving no undue advantage or special and exclusive preference to any."

That opinion of the judges of Maine is a complete answer to the arguments made by leading Republicans of the House that if there was no revenue required, no pension list, no Army, no Navy, they would still protect manufacturers, and would exact taxes by legislation from the mass of the people for the benefit of private parties, in order to enable them to sell goods at high prices, so that they may carry on their business profitably. The judges of Maine proceed to say:

"No public exigency can require private spoliation for the private benefits of favored individuals. If the citizen is protected in his property by the constitution against the public, much more is he against private rapacity."

"If it were proposed to pass an act enabling the inhabitants of the several towns by vote to transfer the farms or the horses or oxen, or a part thereof, from the rightful owners to some manufacturer whom the majority might select, the monstrousness of such proposed legislation would be transparent. But the mode by which property would be taken from one or many and given to another or others can make no difference in the underlying principle. It is the taking that constitutes the wrong, no matter how taken. Whether the cow or the ox be taken from the unwilling owner and given to a manufacturer, or the gift be of money obtained by a sale made by the collector, or by the payment of the tax to avoid such sale, does not and can not change the principle. In either case the cow or the ox or the value thereof is taken from the owner and is given away by others without the owner's consent. If a part of one's estate may be given away, another and another portion may upon the same principle be given away until all is gone. What is this but manifest and undisguised spoliation?"

Each of the other judges gave substantially the same opinion, in different language of course, but each of them pronounced it legislative robbery, their language being quite as denunciatory as any used on this floor by any of us. Judge Dickerson uses this language:

"What claim has manufacturing to such preference over other branches of industry, commerce, trade, agriculture, and the mechanic arts? These are honorable and beneficial pursuits, and the constitution of this State will be searched in vain to find any powers given to the legislature to authorize towns and cities to discriminate against these employments and in favor of manufacturing in the matter of taxation. If municipal corporations may assess a tax upon their citizens by authority of law to encourage one, it may each and all the branches of necessary industry, and the question is reduced to this: Has the legislature the constitutional authority to authorize the towns and cities in this State to tax their inhabitants for the purpose of aiding, establishing, or carrying on, not only manufacturing properly so called, but also farming, shipbuilding, trading, innkeeping, printing, banking, insurance, and any other branch of beneficial industry?"

When another case came up afterwards, which is reported in 60 Maine, *Allen vs. Inhabitants of Jay*, the chief justice decided a similar question. The authorities, under an act of the legislature, had attempted to grant aid to a manufacturing company, or to a sawmill that was about to be established. The judge said in that case:

"Taxation, by the very meaning of the term, implies the raising of money for public uses, and excludes the raising of for private objects and purposes. I concede," says Black, C. J., in *Sharpless vs. Mayor, El Pennsylvania*, 167, "that a law authorizing taxation for any other than public purposes is void."

"A tax," remarks Green, C. J., in *Camden vs. Allen*, 2 Dutch., 829, "is an impost levied by authority of government upon its citizens or subjects for the support of the State."

"No authority or even dictum can be found," observes Dillon, C. J., in *Hanson vs. Vernon*, 27 Iowa, 28, "which asserts that there can be any legitimate taxation when the money to be raised does not go into the public Treasury, or is not destined for the use of the Government or some of the governmental divisions of the State."

"If there is any proposition about which there is an entire and uniform weight of judicial authority, it is that taxes are to be imposed for the use of the people of the State in the varied and manifold purposes of government, and not for private objects or the special benefit of individuals. Taxation originates from and is imposed by and for the State."

"The idea seems to be that thereby capital would be created. But such is not the case. Capital is the saving of past earnings ready for productive employment. The bonds of a town may enable the holder to obtain money by their transfer, as he might do by that of any good note. But no capital is thereby created. It is only a transfer of capital from one kind of business to another."

"The industry of each man and woman engaged in productive employment is of 'benefit' to the town in which such industry is employed. This can be predicated of all useful labor, of all productive industry. But because all useful labor, all productive industry, conduces to the public benefit, does it follow that the people are to be taxed for the benefit of one man or of one special kind of manufacturing?"

"The sailor, the farmer, the mechanic, the lumberman, are equally entitled to the aid of coerced loans to enable them to carry on their business with Messrs. Hutchins & Lane. Our Government is based on equality of right. The State can not discriminate among occupations, for a discrimination in favor of one is a discrimination adverse to all others. While the State is bound to protect all, it ceases to give that just protection when it affords undue advantages, or gives special and exclusive preferences to particular individuals and particular and special industries at the cost and charge of the rest of the community."

"Where is the difference between the coerced contribution of the taxpayer to be loaned to individuals for their benefit and those of the conqueror from the inhabitants of the conquered country?"

"I can add nothing to strengthen the emphatic condemnation pronounced by the highest judicial authorities of the land against all schemes of taxation and all devices and pretenses whereby either manufacturing or other favored interests are sought to be subsidized, protected from competition, or built up by taxation imposed upon the people for their benefit."

Every utterance applies with full force on the position now assumed by the Republican party in its platform on the measure before the House.

Judge Thomas Cooley, who is recognized by the people of this country as one of the ablest expounders of constitutional law, says, in discussing the power of the Government to lay and collect taxes:

"Constitutionally, a tax can have no other basis than the raising of revenue for public purposes, and whatever governmental exaction has not this basis is tyrannical and unlawful. A tax on imports, therefore (a tariff tax), the purpose of which is not to raise revenue, but to discourage and indirectly prohibit some particular import for the benefit of some home manufacturer, may well be questioned as being merely colorable, and therefore not warranted by constitutional principles."

No statement could be made that could define this question now before the House more clearly. How does the protectionist meet these overwhelming authorities that settle the question? Simply by saying that these great jurists and lawyers did not know what they were talking about.

Taxation can never be oppressive if it is distributed upon all our people according to their wealth. It is well, however, for us to inquire into the objects and purposes of Federal taxation. It was intended under our theory of government that all citizens and persons owning property should be required to surrender a portion of it in order to have a proper administration of the Government.

The very necessities of government create this obligation. The authors of our Federal system, fearing that the people might be oppressed by their legislators if they were not restrained, placed the limitation of the taxing powers in the Constitution. Section 8 of the Constitution provides that Congress shall have power to lay and collect duties, imposts, and excises to pay the debts and provide for the common defense and general welfare of the United States, but all duties, imposts, and excises shall be uniform throughout the United States.

Mr. Chairman, I raise the question now so far as it can be raised in debate, as to the constitutionality not only of the bill but its title. The title in its intent and meaning is a wide departure from all revenue bills of the past. It declares that the object and purposes are to provide revenue for the Government and encourage the industries of the United States. The Constitution says that Congress shall have power to collect taxes, but there is not one word in that provision directing Congress to tax "to encourage industries." No fair construction of the general-welfare clause can bring the title of this bill as well as the text within the meaning of that provision of the Constitution. I think the courts would so construe it. If they did not, it would be a wide departure from the long lines of uniform decisions of both State and Federal courts. The gentleman from Maine [Mr. DINGLEY] proposes by the title of his bill to "encourage the industries of the United States" by taxing the people. That, however, is the new Republican method of making the people happy. We, upon this side of the House, would be glad to know what industries the gentleman means. Would he be kind enough to name them to the House? Does he mean simply the factories, the mills, the mines, agriculture, transportation, and labor? If so, what becomes of

the retired gentlemen who live upon their incomes—the lawyer, the doctor, the teacher, the professor—and what would become of the legislator? These professions and employments are not to be encouraged by this bill.

Gentlemen, if these decisions are to be regarded, it is perfectly plain that there is no authority conferred upon Congress by this section of the Constitution to use the taxing power to protect any man in his trade or his private business. This is the only constitutional provision or authority conferred upon Congress to use the taxing power, and I hold, in common with the Democratic party as set forth in its platforms and its legislation since the Government was created, as well as with the courts, that it is a violation of the fundamental law and the natural rights of man to create any statute that compels any class of our citizens to surrender any part of their earnings to any one man, corporation, or trust. There are quite a number of gentlemen upon this floor, who are known to be good lawyers, who insist that a tariff is not a tax upon those who consume tariff-taxed goods, but a blessing that falls like the dew of heaven upon all. There are a few men left in the Republican party who still claim that the foreigner pays the tax. But in the fear of God, and as intelligence increases, that number is getting to be quite small. In the case of *Brown vs. The State of Maryland*, if gentlemen will read that decision, they will find that the Supreme Court of the United States unanimously decided that a duty upon imports was a tax that had to be paid by the consumer. Of the distinguished men who contradict the position now assumed by the gentleman from Maine [Mr. DINGLEY] and his committee, I will first quote the Hon. Joseph Medill, editor of the Chicago Tribune:

WHAT THE CONSTITUTION SAYS.

"The Congress shall have power to lay and collect taxes, duties, imports, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imports, and excises shall be uniform throughout the United States."

"To regulate commerce."

"No tax or duty shall be laid on articles exported from any State." \* \* \*

"Common defense," "general welfare," "no preference," are the key-notes of these constitutional limitations of the taxing power of Congress. There is no shadow of authority given to levy taxes to enrich special capitalists at the expense of the people.

Congress does not "provide for the common defense" by taxes that prevent shipbuilding by prohibitory taxes on ship materials and forbid the creation of a commercial marine that would be a nursery of ships of war.

It is not for the "general welfare" that the only febrifuge—quinine—that will conquer malaria has been taxed, and is, if possible, to be taxed again.

A tax system is not "uniform" that gives the paper manufacturers their raw materials free, but makes all the publishers and readers of the United States pay them a high protective bounty.

Nor is it for the general welfare that \$4 per ton be levied on the sheet tin which is used to hold the farmer's meats, lards, and vegetables, or 100 per cent on the steel wire from which his barbed fences are constructed, or 100 per cent on the steel for his wagon tires, 150 per cent on glass that lets light into his dwelling, or 80 per cent on the china and crockery ware in his pantry.

Nor is it for the general welfare to permit a few monopolists who have bought up the remnants of the Western pine forests to levy a bounty tax of \$2 to \$1.50 per 1,000 feet on the lumber used by the farmers of the treeless States for building and fencing. Such taxes are levied in the interests of voracious capitalists, in plain violation of the Constitution.

I hold with the courts and with this distinguished gentleman, Mr. Medill, that there is no authority or power conferred by the Constitution of the United States upon Congress to use the taxing power to protect any private business, franchise, or corporate right. Taxation must be uniform and for public purposes only. It seems idle to emphasize, in this presence, these great fundamental truths, for every member upon this floor well knows that every State in this Union, through their supreme courts, as well as the decisions of the Supreme Court of the United States, has declared that the power to tax can only be used to raise revenue for public purposes. There is not one word or one line in that constitutional clause to support this bill. The basis of this bill as constructed proceeds upon the lines of a tariff for protection with incidental revenue. A tariff based upon that principle can not be constitutional. No man, aside from partisan prejudice and individual interest, has ever attempted to defend such a law. So far in this debate no advocate of this bill has ever referred to the Constitution of the United States in support of his views. Why are these men silent? Congress derives all of its powers to tax imports from the eighth section of the Constitution. In order to support and strengthen the position I have taken upon this question, I shall quote from some of the great lights of this Republic.

It is true as a general proposition that the consumer pays the duty.—*Alexander Hamilton, Report on Manufactures, 1791.*

We do not derive our ability from abroad to pay taxes. That depends upon our wealth and our industry; and it is the same whatever may be the form of levying the public contributions.—*Henry Clay, in his great tariff speech, April 23, 1832.*

The duty constitutes a part of the price of the whole mass of the article in the market. It is substantially paid upon the article of domestic manufacture as well as upon that of foreign production. Upon one it is a bounty, upon the other a burden; and the repeal of the tax must operate as an equivalent reduction of the price of the article, whether foreign or domestic. We say so long as the importation continues, the duty must be paid by the purchaser of the article.—*John Quincy Adams's Report on Manufactures, 1833.*

All duty paid upon such articles (raw materials) goes directly to the cost of the article when manufactured here, and must be paid for by the consumers.—*U. S. Grant, seventh message, 1875.*

I said it, and I stand by it, that as a general rule the duties paid upon im-

ports operate as a tax upon the consumer. A few years of farther experience will convince the whole body of our people that a system of national taxes which rests the whole burden of taxation on consumption, and not entirely on property or income, is intrinsically unjust.—*Hon. John Sherman, 1867.*

The great apostle of protection, Mr. McKinley, said in his speeches in Ohio:

We took the tariff off of sugar and now you do not have to pay it. See how we have relieved you from taxation by taking the tariff off of raw sugar and reducing your expenses.

In his next breath he tells his audience that "the foreigner pays the tariff," taxing the property of other nations seeking a market in the United States.

Now let us examine this question with a view of ascertaining the facts in a practical way. Marshall Field imported \$1,400 worth of pearl buttons. The McKinley tax was \$3,000. That Mr. Field had to pay as duty at the custom-house. That made the \$1,400 worth of buttons cost him in the store \$4,400. Then he added the cost of transportation, and upon the whole cost he places his per cent, and then sells them out to his customers at 10 per cent profit. So it is plain to be seen that the persons who used those buttons had to pay \$5,000 in order to get \$1,400 worth of buttons. This is McKinleyism, which is insisted upon by men upon this floor as a law which should remain upon the statute books.

I take the broad ground that the whole tariff system is wrong in principle, because it levies its burdens on what we have to consume instead of the property which we possess, making the poor man who toils for a living contribute quite as much to the support of the Government as the millionaire. It is manifest that any such system is vicious. Under this rule the wealthiest man of any of the communities of the United States is not required to pay any more to support the Government than the poorest man who works in the shop. The law which we are now trying to adopt seems to be for the sole purpose of compelling the common people to bear the principal burdens of Government. This system has been popularized throughout the world because every nation on the globe likes to rival every other nation, and extravagance is the result; and the best way to secure the money to meet these fancies is to levy taxes which to the people seem to be paid by others. It has been said by a distinguished statesman, Mr. Blaine, that "\$10 could be collected much easier by indirect taxation than \$1 by direct taxation." Count Bismarck, of Germany, calls protection "a magnificent way of robbing the people, and not telling them how it is done." Mr. McKinley said, in one of his speeches in Ohio in his canvass against Mr. Campbell for governor, that—

The people do not know whether they pay 1 mill, \$1, or \$1,000,000, and if they do not know it, what is the use of saying so much about it?

The people do know how and when they have been robbed. They are not so stupid as these gentlemen would insinuate. They have repeatedly condemned the doctrine, and I feel certain that they always will when that question is fairly presented to them. The elections of 1890 demonstrated their intelligence beyond all question. I would be pleased to learn from some of those friends of protection why a man is paid but 60 cents a day for digging ore in Alabama, \$1.50 in Pennsylvania, and \$3 in Colorado? Protection is the same at each place, the amount of labor performed exactly the same in the same common country, and under the same flag. If protection is for the benefit of labor, why not all get \$3 per day? If protection means anything to labor, the highest prices should be paid. The machine of the capitalist is the only laborer that is protected. It has secured its owners by the aid of Congress the colossal fortunes that now startle the world.

The free pauper labor of the world, which regulates the wages paid to the human laborer employed here, on the universal principle of supply and demand, does not and can not compete with or diminish the profit Congress gives as a subsidy to protected machinery and capital. Machinery is day by day supplanting human factory labor. It neither eats, drinks, nor wears any product of human industry except coal, and needs no protection against any other like machine anywhere. As the proportion of machine work increases and human work decreases the proportion of increase of price which protection gives goes into the pockets of machine owners.

The machine is the laborer in whose behalf the organized bands that fill our lobbies and committee rooms are so clamorous in their demands for protection. Of course as the owners of machinery control the work of both hands and machines, when the demand for products is slack or the supply exceeds the demand, the owner always drops the human laborer first, as far as possible, and limits products, if he produces at all, to what the machines aided by the least amount of human labor can do, so that all of the high prices which protection secures may be retained by him.

The insincerity of the assumption that protection proposes to restrict the sales of manufactured goods to those they produce in the interest of American workmen is intensified tenfold by the fact shown by the record, that they struggle for years to flood the



country with the most degraded character of Chinese labor, and as soon as the war tariff gave them a monopoly of production on their own terms, they passed laws which they maintained in force for over twenty years, authorizing the importation free of duty under contract, to be enforced by penalties and liens upon property acquired, of the cheapest and most depraved class of pauper labor from all parts of the earth, in order to force American workmen under pressure from such competition to accept the lowest wages they could force them down to by this competition or be driven out of their protected establishments. Yet they pose before the country as the special champions of American labor.

Protectionists claim that the tariff protected American labor from foreign competition. Is that true? There is no tariff on labor; there is absolute free trade in labor—the one thing the manufacturer has to buy and the one thing the laborer has to sell. But the manufacturer says we keep out foreign work. Well, when does the foreign laborer most interfere with your job? When he is thousands of miles away, working by hand, with poor machinery, producing goods that have to be transported thousands of miles before they come into our markets, or when he has come here as an immigrant, and stands ready to work right by your side, on the very machine you work with, to make the very goods you are making? When does he most interfere with your job? When he stays a foreigner thousands of miles off, or when he comes here and bids against you? How does it help the employer most? To have him stay at home in Europe or have him here underbidding you?

If we look over the world with an impartial eye, we will discover that the rate of wages is not the determining point in the cost of production; that the lowest labor cost and the highest wages are inseparable. The average wages of India are 8 cents per day; those of China, with the highest protective tariff of any country in the world, are 9 cents per day. Russia, with a tariff equal to the McKinley law, pays 25 cents per day. Germany, with a tariff in many respects higher than ours, pays 45 cents per day. Great Britain, which has practically free trade, pays 90 cents per day.

England and Wales, with 480 people to the square mile, with a landlord system that oppresses the agricultural classes with the most improved methods, pays nearly twice as high wages as any country of the Old World, and yet makes goods so much cheaper than the cheapest-labor people that she can ship her goods into every market of the world and undersell the East Indian in Calcutta, the Chinaman in Hongkong, the Italian in Rome, the Frenchman in Paris, the German in Berlin, and the Russian in Moscow. What gives England this control of the markets of the world? Simply high wages, which means efficient labor and profitable employment, with free raw materials. It is not the man, but the productive capacity of the man, that establishes the wages.

And labor is 9 per cent lower now than it was at the time these tables were made. I now quote from a speech of ROGER Q. MILLS in the Senate of the United States April 24, 1894:

Table showing number of employees, total value of product, value of product per employee, and annual average wages paid per employee in manufacturing industries in the countries named in 1880.

Country.	Total value of product.	Number of employees.	Product per hand.	Annual wages paid.
United Kingdom.....	\$4,100,000,000	5,180,000	\$790	\$204
France.....	2,425,000,000	4,443,000	545	175
Germany.....	2,915,000,000	5,350,000	545	155
Russia.....	1,815,000,000	4,700,000	381	120
Austria.....	1,235,000,000	3,000,000	400	150
Italy.....	605,000,000	2,281,000	265	130
Spain.....	425,000,000	1,167,000	364	120
Belgium.....	510,000,000	953,000	545	165
Switzerland.....	160,000,000	370,000	433	150
United States.....	7,216,000,000	8,837,000	1,880	347

In the United States \$1,880 worth of product cost \$347 for wages. Now our friends point to the fact that the workman in the United States gets \$347 for his annual work; in Great Britain he gets \$204; in France he gets \$175; in Germany \$155. Ours is the high-priced workman, and these are paupers; but when we come to look at the fact that our people are paid less than the foreigner for the amount of work they turn out, the boot is found on the other foot.

Now, let us carry this thing out. Let us take the labor cost in other countries of \$1,880 worth of product and compare it with ours. The \$1,880 worth of goods imported into the United States is the thing that is to test the condition of our workmen. When the goods come here, then, the labor cost of a given amount of goods is compared with the labor cost of the same amount of goods in a foreign country. One thousand eight hundred and eighty dollars' worth of goods cost in this country \$347 for labor.

Now, then, we imported from England last year \$1,880 of cotton yarns that cost for labor in England \$485, and in the United States \$347. The labor cost in England was \$138 more than in the United States; but our tariff taxes it \$985 to protect our labor against competition with the Englishman. We imported \$1,880 worth of kid gloves from France that cost for labor in France \$604; in the United States, \$347. The labor cost in France was \$257 more than in the United States; but they were taxed \$1,165 to protect our workmen against competition with the Frenchman. We imported from Germany \$1,880 worth of woolen goods the labor cost of which in Germany was \$535, which was \$188 more than in the United States; but they were taxed \$1,347

to protect our workmen against competition with the German. We imported from Russia cables, cordage, and twine valued at \$1,880, the labor cost of which in Russia was \$503, which was \$246 more than in the United States; but it was taxed \$487 to protect our workmen against competition with the poorly paid Russian.

We imported \$1,880 worth of buttons from Austria, the labor cost of which was \$689, or \$342 more than in the United States; but these buttons were taxed \$2,690 to protect our workmen against competition with the Austrian. We imported \$1,880 worth of silk piece goods from Italy, the labor cost of which in Italy was \$922, or \$575 more than in the United States.

Mr. MILLS. I have some figures about cotton to give to the gentleman directly. Germany imports cotton yarns from Great Britain and weaves those yarns and sends them back and sells to Great Britain the cloth that is made from them. France imports cotton yarns from Great Britain. We import cotton yarns from Great Britain. There are certain things we can not compete with; there are certain things England can not compete with; and there are certain things that other countries can not. I submit here the table I have prepared, that Senators and others may examine it:

Countries whence imported.	Labor cost of \$1,880 worth of product.	Articles produced in the foreign countries named and imported into the United States.	Labor cost less in United States than exporting country.	Amount of tariff tax on \$1,880 worth of articles imported.
United Kingdom.....	\$485	Cotton yarns.....	\$138	\$695
France.....	604	Kid gloves.....	257	1,165
Germany.....	535	Woolen goods.....	188	1,342
Russia.....	503	Cables, cordage, and twine.....	246	487
Austria.....	689	Buttons.....	342	2,690
Italy.....	922	Silk piece goods.....	575	940
Spain.....	620	Iron ore.....	455	802
Belgium.....	569	Window glass.....	222	1,936
Switzerland.....	651	Lace and embroideries.....	304	1,128
United States.....	347			

Notwithstanding the fact that our labor is cheaper than that of other countries, our people are paying enormous duties to manufacturers to protect their workmen, not one dollar of which ever finds its way to the workman's pocket. Was not the Democratic national convention barking on the right trail when they denounced protection as a fraud? In the face of all these facts Congress is levying taxes to protect American workmen against competition with pauper labor!

The reports which I have read to you show that \$100 worth of manufactures cost for labor in Great Britain \$25.82; in France, \$32.11; in Germany, \$24.44; in Russia, \$31.49; in Austria, \$38.63; in Italy, \$49.05; in Spain, \$32.96; in Belgium, \$30.27; in Switzerland, \$34.64; and in the United States, \$18.45. Now, who has the cheapest labor?

While on the subject I want some one to explain to me, if this tax is for the laborer's benefit and not for the manufacturer's, how it is that the laborer never gets the benefit of any of it. How is it that the tariff and the laborer's pocket fail to connect? How is it that the bounty voted by Congress never gets further than the mouth of the manufacturer? How is it that the tariff puts a tax of \$13.44 on every ton of steel rails, and yet the laborer gets less than \$3. For every ton of pig iron Congress votes to the laborer \$6.72, but he never gets more than \$1.50. For every \$100 worth of cutlery the tariff is \$80, but he only gets \$44. I give here a list of articles which show from the census returns what wages are paid, and from the tariff what protection is voted for our workmen. I hope some one who may be able to do so will explain why it is that the tariff takes the skin off the wrong man.

In 1 ton of steel rails the labor cost is \$3; the tariff is \$13.44.  
In \$100 worth of cutlery the labor cost is \$44.24; the tariff is \$80.11.  
In \$100 worth of mats and matting the labor cost is \$34.90; the tariff is \$68.50.  
In \$100 worth of silk piece goods the labor cost is \$22.54; the tariff is \$90.  
In \$100 worth of cigars and cigarettes the labor cost is \$34.51; the tariff is \$125.36.  
In \$100 worth of woolen or worsted cloths the labor cost is \$20.85; the tariff is \$100.02.  
In \$100 worth of pottery the labor cost is \$45.96; the tariff is \$60.  
In \$100 worth of pearl buttons the labor cost is \$39.69; the tariff is \$143.61.  
In \$100 worth of tannin the labor cost is \$16.34; the tariff is \$119.47.  
In a ton of coal the labor cost is from 40 to 50 cents; the tariff is 75 cents.  
In \$100 worth of cotton goods the labor cost is \$24.24; the tariff is \$57.08.  
In \$100 worth of linen the labor cost is \$32.92; the tariff is \$50.  
In \$100 worth of common window glass the labor cost is \$53.00; the tariff is \$98.38.

In 1 ton of pig iron the labor cost is \$1.50; the tariff is \$6.72.  
In 1 ton of bar iron the labor cost is \$4.57; the tariff is \$32.98.

I ask again, why is it that what you vote for the benefit of labor does not get to the laborer? You do not stand up and tell the people of the United States that you want this for the protection of the capitalists. You do not dare to stand before the people and tell them that. You continue to tell them that it is for the benefit of labor, and after you have got it you put it in your own pocket, and you pay your laborer just what he gets at free-trade prices, and that is all he possibly can get.

In the same class of manufacturing, in the same State, and in the same locality you will find that markets differ in price of daily wages. And prices are constantly changing also at different periods, as new machinery and new methods are adopted. The gentleman from New York [Mr. PAYNE] told us the other day that a protective tariff made high wages. If this be true, why does every factory have a different price for labor? In every part of our country the tariff is the same. Why, then, the difficulty?

What is it that interferes with the free operation of the tariff and prevents it from fixing a high rate of wages all over the country and maintaining it? Mr. Edward Atkinson, who is one of our best authorities on this matter, shows that fifty years ago it required five persons—two carders, two spinners, and one weaver—working by the old method, to make 8 yards of cloth in one day. They got 20 cents a day, a dollar for the whole five. The labor cost of the cloth was 12½ cents, and calculating three hundred working days in the year, the whole product of these five cheap laborers was 2,400 yards of cloth, but when coal and steam and

machinery were harnessed together to produce cloth, five persons to-day in New England produce 140,000 yards of cloth each year.

The labor cost of the cloth is \$1.08 per yard; the wages of labor, instead of being \$60 a year or 20 cents a day, is \$287 per annum for each person. The result of the labor-saving machinery used was an enormous increase in productive capacity; the result of that was a great increase in the rate of wages, and the further result of a great decrease in the cost of production. He says further in his book on the distribution of products that—

In any given country, like the United States, where the people are substantially homogeneous, where the means of intercommunication are ample, where there are no hereditary or class distinctions, and where there is no artificial obstruction to prevent commerce, a high rate of wages in money will be the natural, and therefore necessary, result of low cost of production in labor.

I also quote from page 56 of the same book that—

The nations which have diminished the quantity of human labor in great measure by the application of machinery produce goods at the lowest cost, and by exchange with the hand-working nations, who still constitute the majority of the people of the world, are by way of such exchange enabled to pay the highest rate of wages in money, because their goods are made at the lowest labor cost.

There are here seven establishments. The first one is in Massachusetts. A comparison is instituted between 1849 and 1892, and the industry is cotton print cloth. Each operative made in 1849, in this factory, 44 yards per day. In 1892 he made 100 yards, an increase of productive power of 123 per cent. What wages did he net? The average daily earnings of the laborer in 1849 was 60 cents, and in 1892 \$1. His wages increased 50 per cent. The labor cost of the product decreased 32 per cent. I will not stop to enumerate the other establishments in the same State. While the increase was very large during the same period, yet the different prices of labor were to be found in each establishment.

I wish to quote from Mr. Howard Newhall, who makes this question very plain by a real object lesson:

American ladies' shoes wholesaling at \$1.50 a pair cost for labor of making 25 cents. English ladies' shoes wholesaling at \$1.50 a pair cost for labor of making 34 cents. American men's shoes wholesaling at \$2.00 a pair cost for labor of making 33 cents. English men's shoes wholesaling at \$2.00 per pair cost for labor of making 50 cents.

In the report of the Massachusetts bureau of statistics for 1894 the general average weekly wage in Massachusetts is given as 128 per cent higher than in Great Britain. The general average weekly wage in Massachusetts is given as \$11.63 per week and in Great Britain \$5.08.

It is plain to be seen from this statement of facts that if our people are to be injured and ruined, as stated by gentlemen on the other side of this House, by importation of English shoes into this country the English shoe must be produced at a lower cost than the American shoe, or otherwise it can not be imported in competition with our product if there was no tariff or protection whatever. It is not the rate of wages in England and America, respectively—\$5.08 against \$11.63—that we have to consider, but simply the cost of producing the shoes. The man or country holds the market who can sell his goods cheapest, and the man can sell the cheapest who gets his goods at the lowest cost. In this case it is the man in Massachusetts. What, then, does this difference of wages mean? It simply means increased productive efficiency. It means that the American workman is superior to the British workman.

In order for the American to earn his \$11.63 per week, he makes 35 pairs of men's shoes in a week. The Englishman, to earn his \$5.08 a week, makes 10 pairs of men's shoes.

Now, I want to ask the gentlemen on the other side of this Chamber, who claim the tariff makes the workingmen's wages high, did they make the scale of American workmen's wages \$11.63 per week or was it the number of shoes he made which regulated his wages, and superior skill in using machinery? Is not that what gave him the greater wages over the price of the English wages? Gentlemen, the principle is simply this, that the higher rate of wages means a higher productive power. It is increased pay for increased work. It is not the tariff. It is more work, more efficient work; it is better work, it is cheaper work. It is that that holds the market, and it holds the boot and shoe market of this country against the importation of a single pair of shoes from Great Britain, notwithstanding wages are 128 per cent higher here in shoemaking than in Great Britain.

There can be but one standard for labor, and that is pay for what it can produce. Comparisons by daily wages in different countries is misleading, and I am astounded at the learned gentleman from Maine [Mr. DINGLEY] presuming upon the ignorance of the American people by using such argument. The disparity between wages in this country and Great Britain is growing less every year. Wages in England have advanced 70 per cent since the adoption of free trade in that country, and our wages at home have declined 9 per cent under protection.

Go to India, and there you will see the female laborer knitting, with two sticks, burlaps at 2 cents a yard, working thirteen hours each day, and making 4 yards of goods, earning 8 cents a

day. In this country you will find one woman laborer attending a machine weaving 200 yards per day, working eight hours, receiving 64 cents per day. The woman of India gets 2 cents per yard, while the woman of America gets less than one-third of a cent per yard.

For the benefit of some of my Republican friends upon this floor, I will quote the Chicago Tribune upon this point:

What could demonstrate more conclusively the falsity of the claim that the present excessive duties can not be reduced without lessening the wages paid American labor? Allowing for tariff rates sufficient not simply to cover any alleged margin between wages in this country and in Europe, but the total labor cost of articles produced here, and there still remains 50 per cent or more of the present tariff scale that can only be reckoned as pure plunder and bounty paid to factory bosses and in which labor has no share.

It has been clearly demonstrated that operatives in this country are paid no more than they are in England in the cotton manufacture for the same product. The high tariff on cotton goods has not made wages high in the United States, for Mr. Blaine found as the result of his official inquiry that in proportion to the hours of labor and the work actually performed the American operative was not paid any more than the English. Enjoying the advantages of peculiarly cheap and effective labor, the American manufacturer needs only to get free raw material, cheaper tools and machinery, and untaxed dyestuffs and chemicals to be on a footing with his British competitor in every respect save the facility for transporting goods.

I quote again from Senator MILLS.

It will not do to say that the tariff reduces prices in the United States and free trade reduces prices in Great Britain. The same cause, under the same circumstances, ought to produce the same result. They tell us it will; but here we have prices brought down by free trade in Great Britain and under a protective tariff in the United States. Sir, prices have been brought down by improved production, by machinery, by invention, increasing the amount of product in a given time, and lowering the cost of the product. I have here some figures that will give an illustration of that fact:

A long time ago, when we were boys, when our mothers were spinning with the old hand wheel—

1,000 persons in one week spun 3,000 pounds of cotton yarn, No. 10, at \$1.50 each	\$1,500
1 person now spins 3,000 pounds of cotton yarn, No. 10, and receives for wages	6

Reduction in labor cost	1,494
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Our friends point to it and say a protective tariff did that, not the spinning jenny, not the skill and genius of the man who worked the machine and the man who invented it, but a protective tariff; and you levy 50 per cent duty on cotton yarn and say the duty did that.

Let us follow that up a little further:

The cost price of 3,000 pounds of yarn then, at 75 cents per pound	\$2,250
The cost price of 3,000 pounds of No. 10 cotton yarn now, at 15 cents per pound	450

Reduction	1,800
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By a protective tariff!

Labor cost of 247 hand weavers required to weave 3,000 pounds of yarn into 11,000 yards of sheeting, each weaving 45 yards per week and receiving \$3 per week as wages, was	\$741
Labor cost now of 8 weavers, who weave that amount in one week and receive \$6 per week as wages	48

Reduction in weaving	693
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Cost of cloth made by hand spinning and weaving, at 40 cents per yard	4,440
Cost of cloth now, at 7 cents per yard, by machinery	777

Reduction in cost	3,663
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And they say a protective tariff did it—not the spinning jenny and the power loom, but the protective tariff that levies 50 per cent duty on cotton yarn and 57 per cent on cotton goods.

Adam Smith tells of the immense benefits that come by the division of labor in making pins, from which I have gathered these figures:

Labor cost of 521 persons required to make 2,500,000 pins in one day, at 1 cent per hundred, was	\$520
Labor cost of 1 person, who now makes 2,500,000 pins in one day, and receives as wages \$1	1

Reduction	249
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That is done by a pin machine. Yet our friends stand here and tell us that is done by a protective tariff, and put on more duty in the interest of the poor workingman, and get him to believe that a protective tariff reduces prices and benefits him. Adam Smith stuck pins in the protective tariff in Great Britain till it was dead, and the common schoolhouse and the schoolmaster in this country are sticking pins in it now, and will continue to stick pins in it until it is as dead in this country as it is in Great Britain.

It would have required 53 persons, working one week, each making 12,000 eight-penny nails, to make 704,000, now made by 1, and the wages of the 53, at 30 each, was	\$348
They are now made by one hand at \$5 per day, six days	30

Reduction	318
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Mr. President, it is not taxing that reduces the price of a thing. Adding to the cost never reduces the price. That can not be done. Adding to the cost of a thing increases the price of a thing, or mathematics is a lie. It is taking from the cost of a thing that reduces the price of it. That is what machinery does, what a revenue tariff does, and that is what free trade does still better. There can be no justification on earth, either in politics or common justice.

On this question of labor cost I will quote Mr. Medill still further:

DIFFERENCES BETWEEN ENGLISH AND AMERICAN WAGES.

Wages are higher in this country because labor is more productive here owing to the superior efficiency of a quick, nervous people, and the abundance



of natural wealth and other advantages in a new and rich country with a comparatively scant population. Under such circumstances to compare English and American wages, and attribute the entire difference to the tariff, is wretched sophistry. With greater fairness a comparison might be made between the pauper wages of high-protection Italy and the comparatively high wages of free-trade England. To get a fair comparison, wages in protected and unprotected industries must be taken side by side in the same country; but the ultra-protectionists will never follow that line of inquiry, since it destroys their claim that high duties in and of themselves make high wages.

#### THE WORST PAID LABOR IS IN THE HIGH-TAXED INDUSTRIES.

It is notorious that the worst paid labor in the United States is that employed in the high-protected industries. Beggary wages forced Americans out of the mills and factories of New England to give place to the Irish, whose discontent was expressed in strikes until they were made to give way to the wretched, superstitious, priest-ridden French-Canadian imported operatives, who can live on less and endure more than any other class the mill barons have yet found. Woman and child labor is the distinctive curse of the industries having the heaviest tariff protection. New England has two strongly distinguished classes of population; tariff-protected monopolists and coupon clippers so rich that they do not know how to spend their money, and the pauper factory hands who never get a cent's worth of protection out of the tariff.

#### "PROTECTED" LABORERS PAID LESS THAN DAY LABORERS.

The average weekly wages paid to workers in woolen goods (enjoying a protection of 70 per cent) in Massachusetts in 1884 was \$6.90, or \$1.15 per day, while the average to workers in flax, linen, and hemp (30 to 40 per cent protection) was only \$6 per week, or \$1 per day; to glassworkers (50 to 100 per cent protection) \$10 per week, or \$1.66 per day; to cotton operatives (40 to 50 per cent protection) \$7.65 per week, or \$1.28 per day, and to clothing operatives (70 per cent protection) \$8.58 per week, or \$1.43 per day. The unprotected classes, especially the mechanics, do far better, the lowest grade of day laborers averaging higher pay than the best skilled operatives in New England. So many of the latter are women and children, employed at starvation wages, that the average is reduced to a low figure. It should be noted also that the statistics we have given as to wages of protected classes in New England include in the averages the cost of superintendence, the figures in this respect being deceptive and probably intended to deceive.

#### WAGES IN HIGH-TARIFF EUROPEAN COUNTRIES.

Germany is a high-protective tariff country and wages are much lower there than in free-trade England. The same is true of France, Russia, and Spain—all high-tariff and low-wage paying countries as compared with England. Labor in these countries has not acquired in the last forty years one-half the added benefits that have been secured by British workmen during that period.

The statements of such men as John Bright should have great weight with those who wish to know the truth.

The facts stated by Mr. Bright are conclusive on this question, at least, and that is the main one, that the difference between wages in England and the United States is nothing like as great now as it was forty years ago. Therefore, American manufacturers do not need as much protection now to compensate them for the higher wages they pay as they did then, while they are demanding more than twice as much.

When Hon. James G. Blaine was Secretary of State, a few years ago, he made a very able report to Congress in regard to wages in this country and in Europe. He caused the consuls of the United States, all of them Republicans, to examine into the wages of operatives in the leading manufacturing cities of Great Britain and the Continent. Consul Shaw made an elaborate report as to the wages of operatives in the cotton mills of Manchester, from all of which information the Secretary made a very valuable report to Congress, giving the American and the European wages paid for similar work, in which he completely refutes all the hired slanderers of the present campaign of the Protective Tariff League in regard to the starvation wages paid to English workmen, and fully corroborates all that Mr. Bright said. On pages 98 and 99 of his official report he says:

Owing to the different arrangements of the English and American tables of wages, it is difficult to give a comparative analysis thereof which would show at a glance the difference in the wages of the operatives of both countries.

The wages of spinners and weavers in Lancashire and in Massachusetts, according to the foregoing statements, were as follows, per week:

Spinners: English, \$7.50 to \$8.40 (master spinners running as high as \$12); American, \$7.07 to \$10.30.

Weavers: English, \$8.84 to \$8.64, subject at the date on which these rates were given to a reduction of 10 per cent; American, \$4.83 to \$8.73.

The average wages of employees in the Massachusetts mills is as follows, according to the official returns: Men, \$8.80; women, \$5.62; male children, \$3.11; female children, \$3.08. According to Consul Shaw's report the average wages of the men employed in the Lancashire mills on the 1st of January, 1880, was about \$8 per week, subject to a reduction of 10 per cent; women from \$3.40 to \$4.30, subject to a reduction of 10 per cent.

The hours of labor in the Lancashire mills are 56; in the Massachusetts mills, 60 per week. The hours of labor in the mills in the other New England States, where the wages are generally less than in Massachusetts, are usually 66 to 69 per week.

Undoubtedly the inequalities in the wages of English and American operatives are more than equalized by the greater efficiency of the latter and their longer hours of labor. If this should prove to be a fact in practice, as it seems to be proven from official statistics, it would be a very important element in the establishment of our ability to compete with England for our share of the cotton-goods trade of the world.

In the two prime factors which may be said to form the basis of the cotton manufacturing industry, namely, raw materials and labor, we hold the advantage over England in the first, and stand upon an equality with her in the second.

Having the raw material at our doors, it follows that we should be able to convert it into manufactures, all things else being equal, with more economy and facility than can be done by England, which imports our cotton and then manufactures it in her mills. The expense of handling, transportation, and commission must be an important item in this regard as compared with our turning in the fiber from the cotton fields to our mills, and shipping it in the advanced form of manufactured goods. Add to this the secondary fact that it costs us no more to handle and manufacture the same than it costs in England, and we stand on an undoubted equality thus far in the race of competition.

The more highly protected the factory is the less the wages are. The selfish and hired protectionist never fails to claim that the high wages paid by American protected manufacturers to their foreign imported laborers are founded upon mere statement, and that in point of fact they are the poorest paid laborers in the United States, and the more highly protected the factories are the less the wages. Wages are higher in this country because labor is more productive here owing to the superior efficiency of a quick, nervous people, and the abundance of mineral wealth and other advantages in a new and rich country with a comparatively scant population.

Under such circumstances to compare English and American wages and attribute the entire difference to the tariff is wretched sophistry. With greater fairness a comparison might be made between the pauper wages of high-protection Italy and the comparatively high wages of free-trade England. To get a fair comparison, wages in protected and unprotected industries must be taken side by side in the same country. But the protectionist and apologist will never follow that line of inquiry, because it destroys their claim that high duties in and of themselves make high wages.

Our Republican friends on the other side of this Chamber have made the important discovery that a high tariff is a blessing to the American people and a curse to every other nation, and that the people of this country can all get rich by taxing themselves. The higher the tax, the sooner they will get their fortune. Mr. McKinley, in advocating his bill in this House, claimed that by raising the average duty from 46 to 49 per cent the whole country would be benefited and prosperity would return to business and wages would be higher. But, gentlemen, after a thorough test of this law for more than four years, it brought a record of strikes and business failures without a parallel; and there are other things it did. It made 15,000 mill owners happy and rich and reduced the price of labor to a point lower than ever before, from which it has never recovered. It also caused the American consumer to pay to the protected manufacturer since it went into force more than \$2,000,000,000. If a millenium can be brought about by high taxation, I would suggest that the tariff be raised to a point that will enable all of us to be millionaires, with a heavy bank account, and make the foreigner continue to pay all the tariff taxes. Then we will pull down the female statue—the insignia of our civilization—take the blindfold from her eyes, break the scales of justice, take from her hand the sword of defense, and in her stead erect the Goddess of Taxation, with a copy of the Dingley bill in one hand and a contribution box in the other, with the superscription: "No 10-cent tithes, but 57 per cent protective-tariff exactions."

Mr. Chairman, this whole Republican scheme of tariff taxation is an ingenious method to obtain money without consideration. While money is the object, oppression necessarily must follow. What gave England her legal crimes but the uses and trusts, primogeniture and estates entail? These were but forms of protection which the nobility obtained from the masses of the people.

The plea of the protectionist that his system of taxation is for the benefit of the people is the argument of the tyrant. There never was a despotic edict, a scheme of oppression or tyranny, but what attempted to justify itself by claiming that it was for the welfare of the people. Ask the nobility of Russia to-day why their laws are a stranger to mercy, why infinite cruelty tortures that Slavic race, and their imperial lips will answer that it is for the benefit of the Russian people. Call up the Vandals who sacked Rome, murdered the women and children of that city, and they will answer back that they did it for the benefit of the people of Greece. Go and ask Queen Victoria and the House of Brunswick to-day why they lay the mailed hand of tyranny and oppression upon the land of O'Connell, Emmet, and Parnell, and they will answer, "For the benefit of the Irish people."

If you will ask the trusts that have reduced the price of labor in their protected mills since the McKinley bill became a law, they will tell you it was done for the benefit of the laboring men in their factories.

Go to the bloody grounds of Homestead and ask Andrew Carnegie and H. C. Frick why they organized an army and a navy and shot down their own employees, and they will tell you, for the benefit of the laboring people.

Go and ask John M. Pailman why he reduced the price and time of his employees and at the same time increased their rent, and he will tell you to help his poor laboring men. Go to the corporations, trusts, syndicates, and individuals who told their men in their employment last fall if they did not vote for Mr. McKinley they would discharge them and turn them away, why they did it. They will tell you for the welfare of the country and their men. Go and ask the gold gambler, the stock broker, the bondholder, and the banker why they reduced and advocated the reduction of primary money, and they will tell you for the benefit of the people, that the poor laboring man might have an honest dollar, a sound dollar, a hundred-cent dollar, and a dollar that will go round the world.

Nobility in all ages of the world has been founded upon that brutal claim that the government should foster and care for certain families known as privileged classes.

Protection is the same principle as fostering and supporting certain business interests by charity, in the name of protecting American labor; the protectionist imports the cheapest labor he can find in the Old World. Does this practice indicate an honest purpose to protect labor? Go and ask John Sherman, who is the father of the foreign pauper-labor law, why he advocated such a measure, and he will tell you, for the benefit of the American laborer. The gentlemen on this floor who are clamoring so strongly for the retention of the McKinley law, claim that they wish simply to levy a duty to make up to the laborer of this country the difference between the price paid here and in England.

Such claims are intended as mere bluffs to the people. Mr. Chairman, the unceasing and persistent statements made on the Republican side of this House that high tariffs are intended to make high wages is contradicted by all the experience of mankind, common sense, and recorded facts. In the discussion of this question, we are not left to grope in the dark or guess at results. Take the census reports for fifty years. They settle the whole question beyond dispute. They leave no crevasse by which you can dodge the facts.

	Tariff.	Labor.
	Per cent.	Per cent.
1860.....	24	25
1870.....	34	23
1880.....	46	22
1890.....	49	20
1894.....	40	18
1897.....	30	15

These figures ought to be an important lesson to an honest man. There is no trocha between a high tariff and a gold standard. They have joined their forces and are now selecting their victims. They lay the same merciless hand upon the farmer that they do upon the laborer. See the decline in wheat:

The price of wheat was—	The price of wheat was—
From 1850 to 1860..... \$1.00	From 1891 to 1892..... \$0.85
From 1860 to 1870..... 1.42	From 1892 to 1893..... .70
From 1870 to 1880..... 1.27	From 1893 to 1894..... .66
From 1880 to 1890..... .97	In 1896..... .65
From 1890 to 1891..... .95	In 1897..... .73

Dingleyism is now brought forth as a remedy for the fall in prices and a decreasing revenue, all of which has taken place under the tariff of the Wilson bill and the high tariff of the McKinley bill. The Wilson tariff was 39 per cent, about double the cost of all production, and labor went down. The McKinley tariff was 49 per cent, one and one-half times the labor cost of production, and labor went down to the lowest point known, but now we are going to bring prosperity and high wages by raising the tariff to 57 per cent.

Now, I ask, Why should we have a tax of three times more than the entire labor cost of production fixed upon the very goods that labor must have in order to live? This pretense of protecting labor with a tariff is an insult to intelligence. Wages in the United States are more than ten times higher than they are in China; three times higher than they are in Russia, Italy, or Spain; twice as high as they are in France or Germany, and 20 per cent higher than they are in the factories of England. Now, would it not seem that if protectionist arguments are true, that China, Russia, and Germany would overrun our country with cheap goods, while England would be caged up in her island home? But not so.

We fear no competition from the cheap-labor countries which are blessed with protective-tariff laws and starvation wages, but all of our tariff laws are aimed at the highest waged country on earth save our own, and all of our fear of competition is from the nation whose high-priced labor makes the cheapest goods of any people and sells them at the lowest price in the markets, and has won on its merits the commercial supremacy of the world. Since England abandoned the protective system, the product of her manufactures has been cheapened 50 per cent, while wages have increased 70 per cent, and between the cheapening of goods and the raising of wages the comforts of the workingman's home are 106 per cent greater.

The pretense that protection benefits the American laborer has been fully demonstrated to be false. Does Andrew Carnegie, who is protected 115 per cent on steel beams, and whose daily net income is more than \$4,000—does he pay any more for a day's work than Senator McMILLAN, who was protected 20 per cent on lumber, or the man who is making fence and digging ditches, who has no protection? All laboring men know that the employer simply pays the market price for labor. The universal law that governs the price of free labor is demand, supply, and skill, and the God of nature has placed this rule above and beyond the legislative power of the state, and there is no other.

High tariff increases prices; increased prices decrease consumption; decreased consumption decreases production; decreased production decreases wages and labor.

If you want 100 men to work for you and there are only 10 men to be had, the price of labor will be high; but if you want only 10 men and 100 come and offer their services, the prices will be low. But our Republican friends seek to remedy this state of affairs by placing a tariff of 57 per cent on commodities that the laborer has to buy. They claim that will raise the price of wages; but, my friends, these men who work for wages are not sellers of commodities; they are sellers of labor. They sell their labor in order that they may buy commodities.

I would like to have some good Republican expert on protection explain how an increase in the price of commodities can benefit the laboring man. They claim, however, that a tax on wheat of 25 cents per bushel will raise the price of wheat to the farmer, and a tax of 87 per cent on ready-made clothing will reduce the price of clothing to the consumer. This paradox must be believed to be a protectionist. It seems to me that we should look at these matters in the most practical way. I wish to submit an aphorism to you gentlemen who so deeply sympathize (on paper) with the poor laboring man.

Have you ever seen the laborer who cared one cent whether he worked for a protectionist or a protected or an unprotected employer?

Have you ever seen a laborer who expected to receive more wages from a protected than an unprotected employer?

Have you ever seen a protected manufacturer who paid higher wages than he was compelled to?

Have you ever seen a protected manufacturer pay higher wages for the same class of work than the unprotected?

Have you ever seen the protected manufacturer pay the coachman who drives his carriage, the boy that shines his boots, or the landlord that feeds him, more for their services than the man who had no protection?

Did you ever see one of them who was willing to subsidize a newsboy or endow a laundry?

If, then, the unprotected manufacturer pays just as high wages and still is able to make a profit, by what method of reasoning do you arrive at the conclusion that the protected manufacturer pays higher wages because of protection?

And if the protected manufacturer does not pay more than the unprotected one, what becomes of your protection theories?

Is it your answer that protection raises all classes of wages in all occupations?

If that is it, then as labor is not protected from foreign immigration, you must of course affect the raising of all wages in all countries. Now, if that is true, then how about the pauper wages of Europe?

If you say capital will not be invested unless it is protected, how do you explain the fact that it is being invested in unprotected industries?

If protection prevents us from selling in foreign markets, does not protection make less work instead of more?

If there is free trade in labor and high protected prices for those things which laborers must buy, is not the laborer being robbed instead of benefited?

If protectionists desired to pay high wages, why do they always employ the cheapest labor they can find?

When laborers go out to find employment do they first go to the protected factory and ask for work, and do they expect better wages in the iron mills which are protected 50 per cent than they can get on the building or on the street that has no protection?

I can not hope, however, for an answer to this question. It has been respectfully asked thousands of times in the last forty years, and has never received an answer, and never will.

The protectionist who was recently before the Committee on Ways and Means claimed that the welfare of the laborer is best cared for by leaving the control of his wages under the management of his employer. The only theory on which our tariff laws can possibly help the laborer is this, that if the protectionists are permitted to extort bounties from all consumers of their goods, they will pay back this money extorted to their laborers. But will they do it? There is not one instance where they have ever done so. The gentleman from New York [Mr. PAYNE] says that the labor unions can compel them to divide their protection bounties given by the Government. That remedy was attempted at Homestead, Birmingham, Chicago, and many other places in this country; but instead of a divide of these protection bounties, labor was answered with musket balls and bludgeons in the hands of hired assassins. They divided life and death.

More than \$900,000,000 was extorted by the operations of the McKinley law from the consumers of protected goods each year. Will any of the defenders of protection tell us how much of this vast sum has been paid back to labor? Ask the men who toiled in these protected mills and they will tell you not one cent.

I appeal to members of this House, is it right that a law should



go upon the statute books another day that thus enables the protected class to take these vast sums from the people as a mere gratuity, without being required to divide with labor? This McKinley law allows them to retain it all and leave labor to beg and to starve.

What laborer wants a conservator or guardian to protect him? None. He simply wants the heavy hand of oppression taken off and that he be left free to maintain his own rights, as God has decreed. When there is depression in business and hard times come, does the protected manufacturer continue to pay his laborers full wages from the surplus money accumulated in good times? Never. He puts them upon half time or cuts down wages, hires other hands, or closes the doors of his factory and turns his men out into the street.

Let us look into this question in the most practical manner. Yonder across the street is a glass works, which is protected under the law now in force from 58 to 400 per cent on all of its products. By the side of the glass works a man has a contract to excavate a cellar.

Gentlemen, you may look all through the Dingley bill and you will find there is no protection on cellars, building houses, railroads, making farms, and digging ditches; they are left out of the Dingley bill.

The glass manufacturer goes into the street and says that he wants two men to work in his factory. Two Republicans reply they want work, and "What price are you paying?" "I pay as much as anybody. I pay the customary price for labor." "Well, how much is that?" They go out and inquire about the city, and find that the custom of the community is \$1.50 per day. "Well," says the laborer, "that is satisfactory," and they go to work in the glass works.

The man who wants labor to dig the cellar goes out into the city to find hands to excavate the cellar, and asks if there is anybody who wants work. Two men answer that they do, and ask, "What price are you paying?" "The custom of the country." They inquire about the city and find that \$1.50 a day is the regular price, and they go to work digging in the cellar. A week rolls around, and the man who is digging the cellar calls up his two men and hands them \$9 each.

The glass manufacturer calls up his two men and tenders to them their \$9. "That is all right as far as it goes, but we want more money than that." "Why, gentlemen, do you demand more money from me?" "Well, sir, we have been sitting in the gallery of the House and we have heard the distinguished leaders of the Republican party making their speeches on the tariff, and they said that the tariff levied upon glass and all other goods was for the benefit of the laboring man, and especially the man who worked in the glass works. Now, sir, we want the protection that is on the glass that we have made for you." "Oh," says the glass manufacturer, "these distinguished Republican speakers upon the tariff are mistaken about this matter; they are not posted on the tariff." "Yes; they are," say the boys, "they are the accredited representatives of the protected industries, and they know more about it than any little glass manufacturer, and they say that the lowest tariff on glass is 58 per cent. Now, sir, we want to know how much glass we made for you." They figure up the amount and find that they have made \$20 worth of glass, \$10 each. "Now," says the laborers, "we have, each one of us, made for you \$10 worth of glass, and the tariff for the benefit of labor is 58 per cent; then we are entitled to \$5.80 more each." The glass manufacturer tells them that they are not entitled to the tariff benefit, and tenders to them their \$9 each and tells them to take it and get out of the office.

They go across the street into a Republican lawyer's office and tell him they want to bring a suit against that glass manufacturer across the way for the tariff on glass they made for him. "Well, what kind of a case have you?" "We hired to him at \$1.50 a day and worked a week for him." "And he refused to pay you, I suppose." "Yes, in part; he paid us the \$1.50 a day for every day we worked, but he refused to pay us the tariff on the glass we made for him." "Well, boys, do you think you can recover for that?" "Of course we can, Mr. Lawyer. Now bring the suit." "Well, boys, you will have to have very strong witnesses to support your case; men who can stand the ordeal of the witness stand. That glass factory is in a trust that has twenty-two millions of capital to back it; they have the best lawyers in the country to defend them. You are two poor workmen with limited means, and it is doubtful if you can succeed. They will run the case through all the courts."

"That may be, but it makes no difference to us. We want this question settled. There are 3,000,000 laboring men in this country who want to know whether they are to get this McKinley protection or not." "Well, boys, who are the witnesses by whom you can prove that a tariff is for the benefit of labor?" "We can prove it by the leading and prominent members of the Republican party, not only in the House but in the Senate. Mr. WALKER, Mr. REED, Mr. DINGLEY, and Senators HOAR and ALDRICH. These

are our witnesses. Now, Mr. Lawyer, go on with the suit." "Why, boys, will these honorable members of the Republican party swear that a protective tariff is for the benefit of labor?" "Of course they will. Here are their printed speeches that they have been making for the last thirty years. They said so this week, and here is the national and the State platforms that say so. They are all honorable men." "Well, boys," says the lawyer, "I will have to be frank with you and tell you the truth, that there is no law, custom, or rule and never has been, by which labor can get one cent of the protective-tariff tax. It all goes into the pockets of the manufacturer."

Every argument in favor of a protective tariff in this country begins with an apology and ends with a lie. These men who make a plaything of the sweat and toil of the laboring man have their prototypes—

And Joab said to Amasa, Art thou in health, my brother? And Joab took Amasa by the beard with his right hand to kiss him. But Amasa took no heed to the sword that was in Joab's hand, so he smote him therewith in the fifth rib—

as the protectionists now have the people by the throat, demanding their money in the name of protection.

Mr. Chairman, if protection be a good system it will have to be expanded until it blesses all. If national aid underlies our industrial system, where is to be the limit of the help, and who are to be the judges of the proper person to receive it? Who are to be the arbitrators? When the business man is about to fail the Government will have to give him assistance, and when the assets and liabilities of the professional man give up their estrangement and fall into each other's arms the nation will have to help him through. But you know that if the system be extended to all it comes out where it started in.

Give every man protection and it ends in free trade. Protection exists upon the theory that one class is to be taxed for the benefit of another class; for all to be taxed for the benefit of all would mean no protection, and if it reached a point where there is no protection, the country, upon the Republican theory, would have to go to ruin. If protection be carried to its legitimate end, it becomes self-destroying.

I do not want to advocate a system of beneficence that is in danger of death when you increase the number of its recipients. Protection acknowledges its weakness when its asks benefits for only a part of the race, and shows how unnatural it is when it commits suicide when extended to all. Protectionists want the application as specific and partial as the inventor of the patent medicine that would only cure red-headed people. I do not blame a manufacturer for wishing to follow a business where the prices are foreordained and predestinated by Congress. I do not blame him for having an immutability in his catalogue fixed by a tariff tax. The doctrine of election, you all know, is a telegram from eternity giving a fellow a reserved seat in the next world. So protection is foreordination and election brought into business.

More than eight hundred millions of the people's money was collected under the McKinley bill annually and handed over to the protected factories in this country, in addition to their legitimate gains. It seems to me that it would be more businesslike to give them capital directly out of the public Treasury, without so much indirection. However, that would expose the whole scheme of plunder, and the people would plainly see the extent and manner of the robbery. They would only want to know the facts in order to stamp the life out of all such laws.

I believe that what is known in this country as a protective tariff is the most insidious engine of deception and oppression that human ingenuity ever conceived. If our people could be led to understand that when they are purchasing the necessities of life they are parting with one-fourth of their earnings in the enhanced price of the goods, this question would be settled at once and forever.

To illustrate in a plain business way, let us take the course of trade of two of our merchants. Here is a merchant in your city who takes \$10,000 and goes to London and purchases a stock of clothing. He ships his goods to New York. There the custom-house officer demands the tariff duty, which is 84 per cent, or \$8,400 on the \$10,000 worth of goods. You see his goods cost him \$10,000 in London and \$8,400 duty, making \$18,400. He places them on board the cars, which are taxed 45 per cent, the locomotive is taxed 52 per cent, and the track over which they are hauled is taxed \$15.44 per ton, upon which they are shipped to Chicago. He opens his goods and takes out a coat that cost him \$10 in London, 40 cents for transportation, and \$8.40 tariff; then he adds \$2.50 profit. He ties a little tag in the buttonhole, marks it to sell at \$21.30, and lays it on the shelf in his store. In comes a laboring man from the woolen mill and says to the merchant, "I want to buy a coat."

The merchant takes down this coat from the shelf and says: "Here is a nice coat. I bought that coat in London." "Well, what is the price?" says the laborer. "I can sell you that coat for \$31.30." "That is very high," says the laborer. "Yes, that is a good price; but I paid \$10 for that coat in London, and I had

to pay \$8.40 tariff tax, 40 cents for transportation, and then I charge you \$2.50 profit." The laborer says, "I am willing to pay you the \$10 it cost you in London, the 40 cents for freight, and the \$2.50 profit, but that \$8.40 tariff I won't pay you." "Well, sir, why won't you pay it?" "Because I am posted on the tariff laws. I am a Republican; I am no ignorant Democrat. The consumer, the person who wears out that coat, don't have to pay the tariff. I read Republican newspapers and Republican speeches, and I read the debates on the tariff in Congress, and they all say that the consumer does not have to pay the tariff. My father says I don't have it to pay, and my mother, and our preacher says I don't have it to pay." "Very well," says the merchant, "if that is your education, all right," and lays the coat back on the shelf.

In about sixty days the snow begins to fly, the ground begins to freeze, and the angry winds of winter come and beat upon that coatless laborer. He comes shivering into the store again, and says, "Let me see that coat again." The merchant hands it to him. "Mr. Merchant, pray tell me the history of that coat again, will you?" "Yes, sir; I paid \$10 for that coat in London, 40 cents for transportation, \$8.40 for tariff tax. Then I charge you \$2.50 profit." "Well," says the laborer, "notwithstanding the statements of the leading men of my party, the opinions of my good old father and mother, and the opinion of the minister of God's redeeming grace, the elements of nature come and speak to me in that inexorable voice, that is more potential than all of them, saying that I must obey, telling me that this body must be clothed or perish."

This was an honest Republican laborer, but he had been educated to believe a falsehood. He had heard nothing but the prejudiced vapors of the demagogues and the statements of a venal press. This laborer supposed he was thoroughly posted on political economy, but he now learns by a test from which there is no escape that the speeches and the publications by his party are untrue, their conclusions deceptive, their objects an imposition and a fraud upon labor. Such are the Republican teachings before the young working boys of this country. That laborer had to work five days more to pay for the same coat, yet he is told that a tariff is a good thing for the laborer.

I will quote from the Hon. Joseph Medill, of the Chicago Tribune, again, as he is good Republican authority.

#### 4 PER CENT OF TARIFF TO SECURE 4 PER CENT OF WAGES.

Over fifty high-tariff Congressmen have spoken elaborately, but no explanation is yet offered why a 4 per cent war tariff, which is much more than double the total percentage of labor cost in American manufactures necessary to "protect" American wages from English competition. This is the great unexplained Congressional cryptogram—4 per cent of tariff to secure 4 per cent of wages. All the high tariffites assert that protection amounting to double the total labor cost of goods and five times as great as any difference between American and English wages is absolutely to protect labor against British labor competition, but none of them explain the riddle.

#### HALF OF TARIFF SCALE PURE BOUNTY PAID TO FACTORY BOSSSES.

The following statement of the labor cost of certain selected articles is taken from the report, for 1886, of Carroll D. Wright, United States Commissioner of Labor, and to make the suggested comparison plain The Tribune adds to the Commissioner's exhibit the rate of duty on the manufactures specified:

Articles.	Labor cost.		Rate of duty.
	Per cent.	Per cent.	
Pair stoga boots.....	17.50	30	
Yard of Ingrain carpet.....	22.58	47	
Suit cassimere clothing.....	16.23	68	
Yard of sheeting.....	20.81	55	
Ton Bessemer rails.....	19.00	84.33	
Pair blankets.....	18.05	62	
Ton pig iron.....	9.72	56.60	
Yard cotton cloth.....	18.80	55.76	
Yard print cloth.....	31.82	49	
Cooking stove.....	36.95	45	
Pound spun silk.....	8.81	30	
Harness leather.....	13.84	30	

What could demonstrate more conclusively the falsity of the claim that the present excessive duties can not be reduced without lessening the wages paid American labor? Allowing for tariff rates sufficient not simply to cover any alleged margin between wages in this country and in Europe, but the total labor cost of articles produced here, and there still remains 50 per cent or more of the present tariff scale that can only be reckoned as pure bounty and plunder paid to factory bosses, and in which labor has no share.

Republicans will differ. The gentleman from North Dakota [Mr. JOHNSON], one of the extreme apologists for this bill, tried to show that the foreigner paid one-half the tax and the consumer the other half. This is a radical departure from the teachings of Mr. McKinley, who always claimed that the foreigner paid all the tax. All economic writers are agreed that a government can not extend the taxing power beyond its own people, and we know that no government on earth can tax any people but its own; no tax can be levied by any government that is not paid by its own people. If the Congress of the United States could levy a tax which would be paid by foreigners, should it not stop taxing the American people? If the British Parliament can levy a tax on us, do

you think it would levy any taxes on its own people? The power of every government on this earth to levy taxes is limited to its own people, and it makes no difference whether it is an import tax, an export tax, or an excise tax, its people alone have it to pay. An export tax is levied upon the goods before they are sold. An import tax is levied upon the payment after they are sold. In either case the government compels its own citizens to pay it. It can not collect it from foreigners, nor can the citizens compel the foreigner to contribute one cent toward its payment. The claim made by some gentlemen upon this floor that the foreigner pays the tax is done to fool the people.

There are a limited number of gentlemen upon this floor who are willing to make these wild statements, not only in our presence, but that they may go to young and old, that the consumer does not have to pay the tariff tax, that the foreigner has to pay the duty. Now, if it was a fair question, I should like to ask what would become of men who are so thoroughly indifferent to the Decalogue. These advocates of protection seek to defend their ruinous policy of robbery by saying, "Why do not the merchants buy their goods in their own country? They can make them as cheap here and sell them as cheap as any place on earth." Well, let us see if this is true. Here is another merchant next door. He says, "I will buy my goods in the home market." He gets a duplicate bill from his neighbor merchant, puts \$10,000 in his pocket, and goes to Boston to buy his stock. He hands his bill to the clothing manufacturer, telling him that is a bill of goods a merchant of his city bought in London. "Now, sir, what will you duplicate that bill of goods for, same quality, style, and finish?" "I will sell you that bill of goods for \$18,400." "Well, but my neighbor bought these goods in London for \$10,000. Can't you afford to sell me that bill of goods as cheap as they do in London?" "Yes, sir." "Well, why don't you do it, then?" "I don't have to." "Why don't you have to?" "Because I am protected under the McKinley law 84 per cent, and you can't get your goods any cheaper in the United States. We are all in a trust. Mr. Heidelberger is our president, and you can't help yourself. You have either to buy of us, or go home, shut up your store, and go out of business. You can take your choice. You can go to London and buy your goods, but when you have paid the tariff duty and your freight and expenses, you had better buy of us, as you will save your personal expenses and time." So he was forced to pay the \$8,400 tariff or go to London. "Mr. Merchant, I am a Republican, and I want to be advised about this tariff. My neighbor, who bought his goods in the foreign market, I understand, paid his \$8,400 tariff tax into the Treasury of the United States, where it was used to pay the expenses of the Government. Now, I want to know where the \$8,400 which the McKinley bill forces me to pay to you goes to." "Well, my dear friend, that goes into my pocket. I am the sole beneficiary; that is what protection is for. Do you suppose I would be an advocate of protection unless I got the benefit of it? The Government does not get a cent. Are you so stupid as to think that protection is for the purpose of raising money for the public Treasury? That \$8,400 of tariff is the share you advance for your customers who buy these clothes. When you go home with your goods, you simply mark them to sell at 10 per cent profit, not only on the \$10,000 alone, but on the \$8,400 and all other expenses. By this process, don't you see that you sell the goods and do the collecting for me? Your customers do the paying as well as the protecting. You do not get one cent of the \$8,400. That is what the McKinley law is for. Do you not now understand why I give \$40,000 at every election to keep the Republican party in power? For that amount is all, and more, paid back by the people that use my goods. You see, I am safe if I can keep representatives in Congress who will always vote for protection." "I would like to have you tell me how much money you are enabled to extort from the consumers of your goods every year?" "Well, I will say from \$200,000 to \$250,000." "Why, that is a splendid business." "Yes, it beats highway robbery, blowing banks, or the confidence game. It beats all the tricks that have ever been discovered to make money. And, besides that, it is the only real system of robbery that is protected by Federal statute. Should any such scheme of plunder be attempted under the State law, the party would be sent to the penitentiary."

"I would be pleased to know what you do with this vast sum of money that is donated to you by the consumer of your goods?" "Why, bless your innocent soul, I send it to my agent in your town, and he loans it back to these consumers of my goods, from whom I extorted it, at 7 per cent, taking mortgages on their farms and homes as security. It is a splendid business for them. You see, they get the clothes and money both; they ought to be contented people. That is the reason our hired representatives in Congress, public speakers, and our newspapers tell all those people that are thus robbed that mortgages and deeds of trust are the highest evidence of prosperity; that the more mortgages they put upon their farms the richer they become. This is the reason our farmers are so prosperous. We furnish all the money that



they can give security for, and besides that we furnish them a home market."

That is the reason farmers are now enjoying such high prices for their products.

I quote again from the Hon. Joseph Medill, of the Chicago Tribune:

#### HOME MARKET WHICH THE FARMERS FURNISH.

The farmers of the United States furnish one-half or more of the entire market for American manufacturers. They furnish all the market they can. They buy all the stuff from the cities which they have the money to pay for—all that their crops and cattle sell for; but their money has reduced purchasing power. They have to buy high protected priced goods with money realized from agricultural products sold at free-trade rates throughout the world. Now, gentlemen, if our mechanics worked on a low-tariff basis and made cheap goods to reciprocate with your cheap agricultural products, you would be able to buy much larger quantities of their mechanism. You could purchase at least a quarter, probably a third, more mechanical products, more lumber, wagons, buggies, furniture, plows, cultivators, reapers, books, carpets, cutlery, china, glass, boots and shoes, salt, groceries, better dresses for wives, daughters, sons, and yourselves. Of the thousand things that you buy in the cities you would be able to purchase more of them. This would give the city people a larger market to supply. I estimate that the high tariff tax we have to-day deprives from 400,000 to 500,000 workmen in the United States of employment, which the farmers would furnish to them if they sold their goods at fairly reciprocal prices which the farmer could justly pay. The manufacturers are cutting the throats of their workmen by their excessive high-tariff protected charges for their goods and filling the country with tramps whenever there is a little flurry in the financial market.

#### FRAUD AND IMPOSITION UPON THE FARMER.

The absolute falsity of the statement that protection furnishes a home market to the farmer would seem to require no refutation. But I regret to say that there are still living in the bright light of the nineteenth century men who are willing to accept this monstrous heresy, and that there are men also who have attained high places in the councils of the country who are bold and daring enough to assert the correctness of such doctrine. What are the facts? Republican tariff legislation is so framed that the farmers are compelled to pay in the purchase of their necessities of life at least \$100 each annually for what is pretended to be a home market for their grain. And after thirty years of protection, in order to secure this market a farmer is compelled to ship 9 per cent more of his products to foreign markets than he did during the days of a Democratic tariff. Should a farmer be a free man, or should he be compelled to purchase at a home market, paying for the privilege of selling to those who desire to buy?

Mr. Chairman, what does the farmer have to pay for this home market—for the privilege of selling his products to those who wish to buy? To secure this home market he pays 82 per cent on paint, 58 per cent on nails, 98 per cent on glass, 84 per cent on ready-made clothing, 130 per cent on worsted knit goods, 38 per cent on muslin, 110 per cent on hats, 60 per cent on carpets, and 110 per cent on blankets. And all the other necessities corresponding to the corruption fund which the profits of the industry will furnish. And as no honest man of intelligence will contend that a duty on cereals was intended for any purpose but to deceive the farmer into submission, the home market must be the only benefit to be derived from the policy.

These excessive demands under the McKinley bill are now to be reenacted and increased by the present measure. In the free-trade market of Liverpool the English grain dealer is now paying 38 cents per bushel more for corn and 71 cents per bushel more for wheat than is being paid at Chicago in our highly protected home market.

What is the matter with protection? The farmer's business is such that he can not retaliate or be protected; when he takes his 50 bushels of seed wheat and goes into his field and sows his 40 acres of land, and by his careful husbandry brings into the granary 800 bushels of wheat, that feeds the nation and creates prosperity, it would seem that that man's business would be entitled to protection, if any man on earth was. But McKinleyism forces him to do the protecting, and he receives none of its benefits.

The plow that turns the furrow, the harrow that cultivates, the drill that plants, the binder that cuts the grain and the machine that thrashes it, the wagon that carries it to market, and the scale that weighs it, are all heavily taxed and charged up to the farmer. But I ask, Mr. Chairman, what is the home market procured at such an enormous price? The American people can not consume the entire American crop of farm product. Hence we must always find a market abroad. And the value of any market to any person or class is the relative value of what the person or class has to spare and what they want in exchange. Naturally, all goods seek such a market.

With pleasure I quote again from the Hon. Joseph Medill:

#### WHAT PROTECTION COSTS THE FARMERS.

I understate the truth when I say that the farmers of the West and the planters of the South are charged \$500,000,000 a year on their goods for the profit of protected Eastern manufacturers more than is fair or necessary, on the principle of live and let live.

But I am asked what would the manufacturers do if their protection were cut down for the purpose of cheapening goods to the farmers? There are a million of men, boys, girls, and women engaged in protected manufactures, and there are a good many thousand capitalists who furnish them employment. What would they do if protection were lowered? "Oh, go to farming," they say. No truth in that, as I have shown you. They would just

keep right along as you do. They would continue producing and selling their stuff at the best price they could get, as you do, and as they did from 1846 to 1861, when the duties were only one-quarter to one-third as high as they are now. But it is said they would be beggared; that it would make pauper labor—a ruined and discouraged people. Not a bit of it! That is another protection delusion. The present system of protection back-taxes and water-logs every other manufacturer. The whole system is mutual plunder one of another and all of each. Suppose I have a protection of 50 per cent, I levy that much extra for my goods on my neighbors. But my neighbors also have a protection of 40 to 100 per cent, and they levy back on me, and when we come to balance books at the end of the year, we find that, so far at least as the workmen are concerned, what they have gained in nominal wages they have lost in the artificial cost of living. The manufacturing capitalists, it is true, have increased their profits, but it has been done at the expense of the unprotected farmers, who can not tax back by fixing an artificial price on their products, because the market value of their crops is determined by the foreign quotations. In this protection struggle to grab one from the other, where the game is the d—l take the hindmost, the unprotected agriculturists are the ones who "get taken in" and done for by the smarter town gentry. Protection is a fraudulent and a false system. Freedom of exchange, like truth, alone leads to honest results.

In a country like ours, where money is abundant and for loan by hundreds of millions; where it goes begging for 4 or 5 per cent on good securities; where there is as much surplus wealth as in any nation in the world except England, and very nearly as much as in England; where men can not find investment for their capital, it is not necessary to our "infant industries" any longer to live on spoon victuals. They have been coddled long enough at the cost of the farmers. They are "stalwarts" now, and if they can not stand, let them sit down or go into some other business.

#### THE FARMER NOT PROTECTED.

The farmers sell their products on free-trade principles throughout the world, without protection. The tariff put down to their credit is straw, chaff—it is worthless to you; because whenever you raise a surplus of any product, and seek a foreign market for it, the price at which you sell that surplus determines the entire price you receive for the whole crop. The farmers buy goods at high protected prices and sell food at free-trade prices. Is that fair trade?

I know of nothing agricultural where the protection is of appreciable value to farmers except on wool, and most of the supposed gain on that is delusion. In the first place, not more than half a million of the 5,000,000 of farmers in the United States keep sheep on their land, and not one in ten of those make sheep raising their principal business. The woolen clothes of the 25,000,000 of agricultural population in this country costs them nearly double price by reason of the enormous duties levied on imported woolen goods of all kinds, and the chief excuse for imposing and retaining those immense duties offered by the manufacturers is the tax on wool which they are obliged to pay. If that tax were repealed, they admit that the tariff on woolen clothing might be largely reduced. Now, you see that nine-tenths of the farmers keep no sheep, and therefore derive no benefit whatever from the duties on the different grades of wool, and nine-tenths of the remainder keep so few sheep and have so little wool to sell that the extra price they receive for it only repays them a part of what they lose in the excessive cost of their clothing by reason of the high tariff on woolen goods, for it is a fact that the manufacturer adds the amount of the tariff to the price of his woolsens, and the retailer charges his profit on the tariff tax as well as on the original price of the article. Hence it is that a 50 or 60 per cent duty actually doubles the price of goods to the consumers. It takes \$20,000,000 to protect wool alone.

What would the farmer do with his surplus wheat, as one of his products, if he were limited to the home market? Last year there was more than 100,000,000 bushels of wheat produced by the farmers of the United States in excess of all demands for bread and for reseeding of the land. Let us take one of the prominent farmers of Illinois, who has 1,000 bushels of this surplus wheat in his granary. He tries but fails to sell at home to his neighbors. They tell him they have all the wheat they want; but if he has clothing or cloth to make winter clothing, they will buy that of him. The farmer finds that no one at home will purchase his wheat except the exporters. He decides to market his own wheat. He looks at the prices current, and finds that he can sell his wheat in the free-trade market of Liverpool for 16 cents per bushel more than he can in the protected market at home. Consequently he places his wheat on board the cars, that are taxed 45 per cent on the wheels, 52 per cent on the locomotive, and \$13.44 per ton upon the rails.

On this tariff-taxed road he ships his wheat to New York. It is there transferred to a foreign vessel, our merchant marine having been driven from the ocean by a protective tariff. It is shipped to Liverpool, and there thrown into a granary by the side of wheat that comes from Russia that is produced by labor at 20 cents per day, wheat from India that is produced by labor at 9 cents per day. The old Republican farmer exclaims, "Where is Billy McKinley with his protective tariff? Mr. DINGLEY has not had time to get in with his bill. I want to be protected from the pauper labor of Europe." But there is no McKinley there with his bill. Notwithstanding the cheap pauper labor of the Old World, wheat is higher in that market than it is in the protected home market. He goes on the board of trade and sells his 1,000 bushels of wheat for \$1,000. He looks into the factories and he finds he can buy clothing and woolen cloth 50 per cent cheaper in the foreign market than he can in the protected home market. He remembers what his neighbors said about their desire for clothing or cloth, so he pays out his \$1,000 for 1,000 yards of cloth. He brings the cloth to his country and comes into the custom-house, and Mr. McKinley says, "Where are you going with that cloth?" The old farmer says, "I am going to take it out to Illinois, where I live, and sell it to my neighbors; they want clothing for the coming winter." Mr. McKinley says, "I am very glad to see you, but before you can take that cloth through this custom-house to your neighbors in Illinois you must pay the tariff on it, which is 50 cents a yard." "Why, how is

that, McKinley; 50 cents a yard, that would be \$500? I have not time to go home and raise another crop of wheat to pay such a tariff tax as that. Why, McKinley, this cloth is the product of my own labor and my wife and children. I raised wheat on my own farm and I exchanged it for this cloth." "Well," says McKinley, "you can not bring that cloth into this country unless you pay the \$500 tariff; that is the penalty." "What is such a law as this for, Mr. McKinley?" "It is to protect home manufactures." "Then, am I to understand that I have to pay this \$500 to protect the home manufacture?" "Yes," says McKinley. "I see," says the farmer, "that I have to do the protecting and I do not get any of it."

"Then you say I can not get my cloth into my own country, where I live as a citizen, pay my taxes, and in time of trouble shoulder my gun for its defense. Mr. McKinley, I have read several of your speeches, and you always contended that the foreigner paid the tax. I am no foreigner. I was born in this country, and my father before me. Now, sir, if you are a truthful man, according to your own doctrines, make the foreigner pay this \$500 of tax. According to your speeches the Englishman from whom I purchased this roll of cloth should pay this \$500 tariff tax, but according to your law I have it to pay." "I can not discuss this question further with you," says McKinley; "you must pay the \$500 tariff tax or I will have to confiscate the cloth and sell it for the tax." The farmer demands his cloth, and he takes it back to England. He tells the merchant from whom he purchased the cloth that the laws of his country are so framed and enforced that he can not take it into his own country; that he can not exchange the product of his farm for what he really needs and wants and take it into his own home without paying 50 per cent tax upon it. He asks the Englishman, "Won't you take back the cloth and let me take the wheat?" "Yes, if your own country treats you as badly as you say." So he trades the farmer back the wheat for the roll of cloth. He brings his wheat back to his own country, and when he gets to the custom-house at New York Mr. McKinley steps out again and says to the old farmer, "Where are you going with that wheat?" "I am going back to Illinois, where I raised it." "Well," says McKinley, "I am glad to see you; but before you take that wheat through this custom-house you will have to pay a tax of 25 cents a bushel on it under my law." "Well, do you say that I have to pay a duty of 25 cents a bushel on my own wheat? What is that for?" McKinley says that 25 cents a bushel is to protect the farmer. "Well, McKinley, I am a farmer; I do nothing else; my whole life is devoted to that business." "Well," says McKinley, "we do not allow farmers to trade outside of our own country; we furnish them a home market and they must trade in it. They must trade in it or pay the penalty, which is an average tax of 60 per cent upon the necessities of life." But the farmer says, "I can get more for my farm products in the foreign market than I could get in the protected market at home." "That is true. We will allow you to sell in the foreign market, but you must pay all the difference either into the Treasury or the pockets of the protected manufacturer."

In the face of experience and reason there must be some extraordinary cause for the never-ending demand of this exploded doctrine. The last annual table of exports discloses the fact that the farmer is over ten times more dependent upon the foreigner for a market than he was under the low tariff of 1860. Now by far the greater portion of all our farm exports goes to England. There is no reason or popular demand for any law or decree against the natural flow of trade. It is a principle as old as barter and exchange itself that all goods would seek the highest market. According to the market reports to-day, the price of wheat is 73 cents in Chicago and \$1.45 in Liverpool, and corn is 23 cents in Chicago

and 56 in Liverpool—wheat being at the lowest 72 cents and corn 33 cents per bushel higher in the free-trade market of England than in the leading markets of protective America.

The free-trade market of England invites the American farmer to a market that is at least 30 per cent better than we can offer him at home. The protection demagogue has caused the farmers to pay millions of dollars to build up their home market, while they have to ship a greater per cent of their products every year to Europe to find a market.

It is impossible by legislation to protect the farmer of this country on their leading products, and the pretense of claiming to do so in this bill by fixing a duty of 25 cents a bushel on wheat, 15 cents a bushel on corn, 15 cents a bushel on oats, \$4 per ton on hay, \$6 to \$30 on horses, \$6 on cattle, \$1.50 on hogs, is a state of presumption by the framers of this bill that has no place in morals or economy. If we should place a tariff of \$25 a bushel on wheat and \$10 per bushel on corn and \$2 per bushel on oats and \$10 per ton on hay and 10 cents per pound on beef and pork, it would not protect or benefit the farmer one cent, because the American farmer with his intelligence, soil, and machinery can produce those articles cheaper than any people in the world, and in greater surplus quantities, and of course is an exporter instead of an importer of these articles. The author of this bill presumes that the farmer is a fool, and therefore legitimate prey for the benefit of the protected, and that he will always be the dupe of the demagogue. Gentlemen, this character of legislation that plunders the farmer and wealth producer will ultimately bring the industrial classes to Asiatic condition.

All men of ordinary intelligence concede that England and other foreign countries are a better market for farm products and a cheaper market for other necessities, while protected America, with all her special advantages, furnishes a poorer market for farm produce and the highest in the world for all other necessities of life. This is the legitimate outgrowth of the doctrine of protection; but our Republican friends maintain that this inequality must be sustained if every farmer in the country is robbed of his entire profits. The price of all the various surplus products of the farmer is fixed at the main point of distribution.

The farmer gets in the home market what the purchaser is compelled to pay by the Liverpool prices. How is the farmer to get the home market that is said to be so beneficial to him? He has to buy his home necessities at an advanced price from somebody—England, Germany, or Yankees—who would build a factory on free American soil, but whose factory would it be when built, and why should the farmer lose the comforts of the family and home in order to build up this private enterprise for others? It is claimed that it would require a large number of men who would be employed and who would consume the farmer's produce, and thus he would secure a home market. By this process you see that the farmers have simply hired some one to eat their bread. But where are the factories that were to furnish the home market? Are they by the side of the farm, where it is convenient to market his produce? No; they are among the rocks and mountains of the East, almost as difficult of access as the far-off market of Liverpool.

Mr. Chairman, living in a State that stands at the head of agricultural wealth, with a people whose enterprise, intelligence, and husbandry have no superior, yet as an humble member of that great State of 4,000,000 people, under the mildew and blight of protection and the gold standard the farmers of Illinois are now unable to sell their farm products for the cost of production. To show what this character of legislation has wrought upon them, I herewith submit the reports of the State board of agriculture of the State of Illinois for the year 1896 of some of the leading products.

WHEAT—(SPRING AND WINTER).

Year.	Number of acres.	Average yield per acre.	Bushels produced.	Price per bushel.	Total value.	Value per acre.	Cost of production per acre.	Total cost of production.	Profit.	Loss.
1860.	2,109,471	11.3	23,857,023	\$.85	\$20,261,469	\$9.60	\$10.55	\$22,254,919		\$1,993,449
1861.	2,109,471	11.3	23,857,023	.72	16,927,284	8.02	10.55	22,254,919		5,327,635
1862.	2,300,994	14	32,218,500	.70	24,482,232	10.64	10.55	24,275,170	\$207,062	
1863.	2,617,947	12	31,408,183	1.05	32,978,571	12.59	10.55	27,613,211	5,365,360	
1864.	2,328,763	14.3	33,371,173	1.55	51,725,318	22.21	10.55	27,598,450	27,136,898	
1865.	2,290,977	11	25,208,745	1.09	27,541,732	12.00	10.55	24,253,197	3,288,535	
1866.	2,190,293	18	28,551,421	1.91	55,104,245	25.09	10.55	23,170,575	31,933,668	
1867.	2,450,149	11.4	28,000,000	1.97	55,560,000	22.45	10.55	26,015,177	29,247,723	
1868.	2,483,478	11.5	28,560,000	1.20	34,272,000	13.80	10.55	26,201,002	8,071,998	
1869.	2,007,142	11.2	22,500,000	.70	22,192,000	8.51	10.55	27,505,348		5,313,348
1870.	2,259,528	12	27,115,000	.94	25,493,100	11.28	10.55	23,838,000	1,649,500	
1871.	2,050,081	12.9	26,500,000	1.15	29,754,880	14.51	10.55	21,628,354	8,126,526	
1872.	2,042,231	12.1	24,711,000	1.23	30,594,530	14.88	10.55	21,546,537	8,848,993	
1873.	2,104,963	13.5	28,417,000	1.10	31,258,700	14.84	10.55	22,307,361	9,051,340	
1874.	2,619,304	11.5	30,122,000	.86	25,904,920	9.89	10.55	27,653,657		1,728,737
1875.	2,600,000	10.5	27,300,000	.91	24,843,000	6.55	10.55	27,430,000		2,587,000
1876.	2,520,430	9.3	23,440,000	.93	21,799,200	8.64	10.55	26,600,536		4,791,336
1877.	1,977,745	16.4	32,480,556	1.15	38,002,082	19.22	10.55	20,865,210	17,136,872	
1878.	2,324,766	15.6	36,283,396	.80	27,030,480	11.64	10.55	24,629,185	2,533,295	



## WHEAT—(SPRING AND WINTER)—continued.

Year.	Number of acres.	Average yield per acre.	Bushels produced.	Price per bushel.	Total value.	Value per acre.	Cost of production per acre.	Total cost of production.	Profit.	Loss.
1879	2,440,806	18.1	45,417,061	\$0.87	\$39,930,039	\$16.36	\$10.55	\$21,750,535	\$14,180,104	
1880	3,256,350	17.7	56,508,409	.82	46,497,100	14.27	10.55	24,854,650	11,642,610	
1881	3,642,589	7.4	22,374,163	1.07	24,133,780	7.90	10.55	32,459,238		88,385,458
1882	2,846,117	18.4	52,323,251	.89	46,714,376	16.41	10.70	30,477,274	16,237,102	
1883	2,047,956	10	20,347,502	.95	19,337,063	9.50	11.10	22,635,812		3,358,749
1884	2,717,592	12	33,611,245	.70	25,410,014	9.35	10.75	29,272,419		3,892,400
1885	1,038,364	8	8,290,243	.86	7,162,292	6.70	10.65	11,358,311		4,196,019
1886	1,701,336	14	28,284,086	.74	18,865,283	9.47	10.75	21,423,435		1,651,365
1887	2,701,297	10	38,676,486	.65	25,032,982	10.47	10.90	28,070,347		
1888	2,277,001	15	34,317,920	.70	24,128,437	10.00	9.50	21,632,132	2,496,305	
1889	2,052,388	18	37,301,916	.70	26,093,250	12.71	9.48	19,460,043	6,633,207	
1890	1,215,797	12	14,602,037	.82	11,967,301	9.86	10.25	12,460,856		473,985
1891	1,871,908	18	34,620,828	.79	27,269,219	14.55	10.25	19,188,344	8,080,875	
1892	1,065,904	18	30,578,643	.69	21,061,703	12.65	10.20	17,001,709	4,059,904	
1893	1,630,797	12	18,916,314	.48	9,157,708	5.60	10.40	16,936,252		7,897,544
1894	2,071,354	20	41,315,069	.43	17,841,353	8.60	9.00	20,533,360		2,712,013
1895	1,080,527	11	18,093,503	.50	10,706,913	6.35	10.00	16,849,792		6,142,879
1896	1,082,019	13	21,514,581	.48	10,447,439	6.20	11.30	18,903,423		8,545,984

## CORN.

1890	3,839,159	30	115,174,770	\$0.42	\$18,944,277	\$2.74	\$10.50	\$40,311,169	\$8,633,108	
1891	3,839,159	30	115,174,770	.24	27,041,944	7.00	10.50	40,311,169		\$12,609,225
1892	3,458,963	40	138,356,120	.23	32,821,911	9.49	10.50	36,818,481		5,406,570
1893	3,773,349	22	83,013,681	.62	51,479,442	13.64	10.50	39,630,164		
1894	4,192,610	33	138,358,180	.75	133,769,101	24.75	10.50	41,622,405	59,744,698	
1895	5,032,996	35.2	177,065,852	.29	51,809,536	10.31	10.50	52,751,958		951,422
1896	4,931,783	31.6	155,844,350	.43	67,031,070	13.58	10.50	51,783,721	15,229,349	
1897	4,583,055	23.8	109,001,000	.68	74,291,880	16.20	10.50	48,128,377	26,153,513	
1898	3,928,742	34.2	134,863,000	.43	57,786,000	14.70	10.50	41,251,791	16,624,209	
1899	5,237,068	29.2	121,500,000	.57	69,225,000	13.22	10.50	54,989,214	14,235,786	
1890	5,720,965	35.2	202,378,000	.35	70,482,300	12.32	10.50	60,070,132	10,412,168	
1891	5,310,460	38.3	203,391,000	.32	65,085,020	12.25	10.50	55,759,921	9,325,109	
1892	5,468,040	30.8	217,628,000	.24	52,230,720	9.53	10.50	57,474,420		5,183,700
1893	6,830,714	21	143,684,000	.32	45,962,880	6.72	10.50	71,816,997		25,854,117
1894	7,421,055	18	133,579,000	.56	74,804,240	10.08	10.50	77,921,077		3,116,857
1895	8,163,205	34.3	280,000,000	.34	95,200,000	11.66	10.50	85,714,282	9,485,718	
1896	8,920,000	25	223,000,000	.31	69,130,000	7.75	10.50	93,690,000		21,530,000
1897	8,935,411	30	269,889,742	.28	77,532,870	8.68	10.50	103,821,815		16,258,906
1898	8,672,088	29	250,590,810	.22	56,035,842	6.46	10.50	91,056,924		35,021,082
1899	7,918,831	38	305,913,377	.32	97,483,052	12.16	10.50	88,148,250	14,334,802	
1890	7,754,545	33	250,697,086	.33	83,757,009	11.56	10.50	79,411,857	4,345,182	
1891	7,157,834	24	174,491,706	.53	93,828,977	12.72	10.52	75,303,074	18,025,903	
1892	7,571,930	24	179,471,719	.43	76,528,755	10.08	10.55	77,862,326		1,273,571
1893	7,304,596	25	186,583,558	.36	68,067,698	9.00	10.50	70,089,138		8,621,440
1894	6,898,819	33	207,556,662	.29	60,390,153	8.74	10.45	72,080,712		11,780,558
1895	7,212,657	32	230,922,298	.28	64,850,545	8.99	10.50	75,682,246		10,811,701
1896	7,153,289	25	182,755,053	.30	54,772,027	7.66	10.45	74,642,234		19,870,257
1897	6,719,136	19	129,537,606	.41	53,718,691	7.99	10.45	70,240,210		16,531,519
1898	7,097,813	39	277,723,457	.28	79,245,114	8.35	9.75	68,814,320		30,370,294
1899	6,988,237	35	247,880,589	.23	68,337,019	8.35	9.75	68,272,872		9,935,823
1890	6,114,226	27	164,512,020	.45	73,353,923	12.00	8.99	54,766,113	18,300,810	
1891	5,754,147	38	217,982,050	.38	83,900,210	14.00	9.00	51,882,030	32,108,150	
1892	5,188,432	29	137,549,285	.35	48,013,834	9.43	9.00	46,732,195	2,181,639	
1893	6,416,488	29	167,687,971	.30	51,099,698	7.98	8.95	57,422,209		6,322,571
1894	6,705,476	31	205,637,061	.30	70,605,353	11.87	8.95	59,973,019	19,632,334	
1895	6,922,921	39	267,423,006	.21	57,738,225	8.34	8.95	61,964,120		4,225,901
1896	6,881,400	42	288,616,334	.17	50,190,522	7.30	8.95	61,592,986		11,393,464

## OATS.

1890	543,572	28	15,220,029	\$0.26	\$3,957,207	\$7.28	\$9.40	\$5,109,577		\$1,152,370
1891	543,572	28	15,220,029	.19	2,891,805	5.32	9.40	6,109,577		2,217,772
1892	804,610	20	17,892,200	.45	4,294,128	4.80	9.40	8,400,334		4,115,206
1893	820,059	24	19,681,420	.50	11,011,595	13.44	9.40	7,708,555	\$3,313,040	
1894	779,008	31	24,273,571	.61	14,806,988	19.00	9.40	7,222,628	7,484,360	
1895	802,520	35	28,088,197	.24	6,741,167	8.40	9.40	7,543,688		802,521
1896	883,952	34	30,054,370	.33	9,917,942	11.21	9.40	8,809,149	1,608,793	
1897	1,068,372	30	32,158,000	.40	15,757,430	14.74	9.40	10,042,096	2,714,723	
1898	1,018,150	32	32,479,000	.39	12,666,810	12.44	9.40	9,570,610	3,096,200	
1899	1,090,261	22	35,726,000	.37	13,218,620	12.02	9.40	10,333,053	2,885,567	
1890	1,480,846	26	38,500,000	.32	12,320,640	8.32	9.40	13,919,032		1,599,312
1891	1,163,202	33	38,502,000	.28	10,770,580	8.26	9.40	10,934,099		153,530
1892	1,178,196	36	43,122,000	.19	8,294,150	6.95	9.40	11,075,042		2,881,862
1893	1,178,666	30	35,300,000	.28	9,900,800	8.31	9.40	11,079,460		1,178,661
1894	1,818,514	17	31,824,000	.45	14,330,800	7.87	9.40	17,094,632		2,773,232
1895	2,272,730	33	75,000,000	.28	22,000,000	9.24	9.40	21,363,634		365,336
1896	2,400,000	30	48,000,000	.26	12,480,000	5.20	9.40	22,560,000		10,080,000
1897	1,539,194	39	61,145,983	.26	16,299,647	10.45	9.40	14,628,224		1,641,423
1898	1,757,033	30	53,423,555	.20	10,684,911	6.07	9.40	16,524,728		5,839,817
1899	1,691,139	38	54,694,569	.22	12,050,162	7.39	9.40	15,332,706		3,273,544
1890	1,749,391	35	62,700,002	.24	12,858,247	8.40	9.40	17,375,108		4,516,861
1891	1,922,389	35	68,644,514	.30	21,022,267	10.50	9.40	19,090,119		1,932,048
1892	2,461,655	40	90,275,380	.41	41,082,611	16.40	9.85	24,316,329	10,746,282	
1893	2,740,959	38	104,299,230	.23	27,403,706	9.88	9.85	27,061,680	341,046	
1894	2,867,500	36	102,411,095	.25	26,047,256	9.06	9.85	28,254,143		2,206,887
1895	3,150,585	36	114,344,387	.24	28,088,984	8.89	9.75	30,863,625		2,764,640
1896	3,337,455	34	113,247,694	.26	29,042,281	8.70	9.80	32,044,177		3,601,706
1897	3,643,861	30	110,006,640	.23	25,625,744	7.03	9.75	35,473,984		9,848,240
1898	3,809,830	40	151,172,782	.24	36,284,246	9.52	9.40	35,911,979	332,297	
1899	3,683,906	39	142,150,811	.20	28,981,064	7.91	9.45	34,573,834		5,592,777
1890	3,164,805	24	75,904,941	.29	21,902,460	6.82	8.95	28,361,408		6,458,948
1891	2,934,887	38	113,291,399	.28	32,312,485	11.00	9.20	27,949,516	6,302,960	
1892	2,688,893	33	89,254,551	.27	24,500,490	9.08	9.20	24,838,013		327,523
1893	3,352,375	31	105,916,595	.22	22,985,087	6.85	9.05	30,341,358		7,362,271
1894	3,424,422	39	133,479,742	.28	36,856,979	10.75	9.05	30,959,562	5,897,417	
1895	3,647,026	34	86,616,015	.29	17,273,861	4.75	9.00	32,804,421		15,530,499
1896	3,466,471	30	104,423,989	.13	14,176,917	4.00	9.00	31,179,237		17,002,330

A table published elsewhere in this report gives the area, yield, and value of the oat crop in each county in the State this year.

## HAY.

Year.	Number of acres.	Average yield per acre.	Tons produced.	Price per ton.	Total value.	Value per acre.	Cost of production per acre.	Total cost of production.	Profit.	Loss.
		Tons.								
1860	2,258,548	1.41	1,774,554	\$9.90	\$17,568,084	\$13.95	\$7.35	\$9,250,328	\$8,317,756	
1861	2,258,548	1.41	1,774,554	9.90	17,568,084	13.95	7.35	9,250,328	8,317,756	
1862	1,348,724	2.7	2,292,831	8.00	18,342,648	13.60	7.35	9,913,151	8,429,527	
1863	1,161,707	1.5	1,742,552	11.50	20,030,348	17.25	7.35	8,538,546	11,500,802	
1864	1,444,483	1.5	2,166,725	15.33	33,215,894	23.00	7.35	10,616,050	22,599,844	
1865	1,733,380	1.5	2,600,070	9.30	24,180,651	13.95	7.35	12,740,343	11,440,308	
1866	1,591,890	1.47	2,345,033	9.27	21,692,348	13.62	7.35	11,700,318	9,992,031	
1867	1,778,000	1.5	2,667,000	9.73	25,949,910	14.59	7.35	13,068,300	12,881,610	
1868	1,985,000	1.4	2,667,000	10.00	26,670,000	14.00	7.35	14,091,750	12,678,250	
1869	1,761,000	1.59	2,800,000	9.87	27,636,000	15.09	7.35	12,943,394	14,692,606	
1870	1,605,932	1.18	1,895,000	10.77	20,352,310	12.67	7.35	11,803,000	8,549,310	
1871	1,403,033	1.31	1,838,000	10.05	18,471,900	13.16	7.35	10,312,439	8,159,461	
1872	1,428,888	1.35	1,929,000	9.47	18,267,630	12.78	7.35	10,502,327	7,765,303	
1873	1,880,000	1.25	2,350,000	8.75	20,562,500	10.93	7.35	13,818,000	6,744,500	
1874	1,800,417	1.2	2,225,500	10.49	23,418,925	12.98	7.35	13,674,004	9,744,921	
1875	2,226,277	1.37	3,050,000	9.73	29,676,500	13.33	7.35	16,363,136	7,013,364	
1876	2,500,000	1.40	3,500,000	6.68	23,300,000	9.35	7.35	18,375,000	5,000,000	
1877	2,443,300	1.65	4,044,937	5.43	21,971,338	9.99	7.35	17,858,036	4,013,302	
1878	2,368,854	1.45	4,255,471	4.70	19,994,341	8.44	7.35	17,411,077	2,583,264	
1879	2,161,700	1.20	2,578,730	6.57	16,428,012	7.60	7.35	15,888,936	549,076	
1880	2,259,857	1.5	3,486,584	6.50	22,569,691	9.75	7.35	16,707,706	5,861,985	
1881	2,284,366	1.5	3,484,222	6.95	24,184,087	10.42	7.35	17,517,470	6,666,617	
1882	2,629,333	1.75	4,300,188	7.75	34,006,164	12.56	7.35	19,380,712	14,625,452	
1883	2,945,482	1.75	5,004,500	6.15	30,930,271	10.70	7.35	21,694,095	9,236,176	
1884	3,004,342	1.64	4,940,506	5.47	27,055,086	9.00	7.35	22,003,713	4,901,364	
1885	3,197,688	1.33	4,197,223	6.05	25,347,809	7.36	7.30	23,320,211	2,027,598	
1886	3,303,931	1.45	4,944,810	5.90	29,465,173	8.83	7.15	24,732,971	4,732,202	
1887	3,316,016	.78	2,581,539	8.70	22,468,692	6.77	7.30	24,140,983	\$1,001,291	
1888	3,043,723	1.41	4,423,162	6.70	29,548,129	9.71	6.85	20,904,275	8,643,854	
1889	3,170,281	1.55	4,910,544	5.45	26,819,871	8.44	6.85	21,813,830	5,006,041	
1890	2,704,365	1.48	3,988,736	5.75	22,925,501	8.47	7.40	20,051,897	2,873,604	
1891	2,564,294	1.40	3,600,732	6.70	24,322,232	9.44	7.40	18,928,869	5,393,363	
1892	2,351,085	1.63	3,829,653	6.20	23,826,582	10.13	7.40	17,428,130	6,398,452	
1893	2,788,963	1.03	3,631,392	7.20	26,070,671	9.35	7.45	20,700,540	5,370,131	
1894	2,781,218	1.18	3,285,407	7.50	24,581,700	8.80	7.40	20,570,893	4,010,807	
1895	2,540,156	.55	1,401,723	10.25	14,389,764	5.65	7.40	18,749,464	4,360,700	
1896	2,547,648	1.36	3,432,993	6.10	20,973,047	8.25	7.35	18,759,770	2,213,277	

These figures furnish more than a sufficient reason for the complaint of the agriculturists that is so justly expressed in that State. It seems to me that a very important lesson might have been drawn from these figures by the Committee on Ways and Means in framing the pending bill. Economic laws, it seems to me, should be based on the productive capacity of the whole country, instead of the speculation in wealth after it has been created. This report shows a loss on wheat alone in the year 1896 in Illinois of \$3,545,984; a loss on corn of \$11,393,464; and a loss on oats, \$17,002,320, making a loss to the farmers of that State in a single year on three items of products of \$36,941,768.

This tremendous loss could not happen under just economic laws by this Government. Every farmer knows that if we have a just system of Federal taxation and silver restored to its place by the side of gold as primary money, this condition of the farmer could not happen. This new doctrine of Dingleyism to increase taxation without providing money to pay it will crush the farmer still lower. Taxation has now reached under the extravagance of our Republican friends a point beyond the capacity of the people to pay. The farmers of my State and district would hail with great joy a home market that would demand of them their surplus products. But they know a tariff, either high or low, can not furnish them such a market. Their surplus products are increasing every year and a broader market must be had. Take the Western farmer of to-day who has 137 bushels of surplus wheat; he hauls it to market, and gets the American price, 73 cents per bushel. Having thus converted his wheat into \$100 in money, he purchases \$100 worth of goods for his home, less the Dingley tariff as now proposed. Here is the list of goods that he buys with the product of his wheat:

	McKinley bill.	Wilson bill.	Dingley bill.	Difference.
	Per cent.	Per cent.	Per cent.	Per cent.
Hats and caps	86	25	90	65
Shawls	88	40	112	72
Ready-made clothing	84	49	87	38
Blankets	80	35	60	45
Woolen dress goods	102	49	102	53
Cloaks	82	50	80	30
Gloves	51	35	52	17
Yarns	100	39	100	61
Flannels	100	35	100	65
Carpets	60	30	50	30
	83.3	38.7	85.3	46.6
			46.6	
			38.7	

Let us see how this transaction affects this farmer. The 137 bushels of wheat paid for the \$100 worth of goods, but he has yet to settle for the Dingley tariff tax, which is \$85.30. This will take

117 bushels more wheat. Now, under the Wilson bill he could have paid the tariff with 59 bushels of wheat—just one-half. So you will see, gentlemen, that under the Wilson law he could purchase these goods with 196 bushels of wheat, but under the Dingley law, that you are now attempting to force through this House, it would require 254 bushels. The saving to the farmer under the Wilson law, at the present price of wheat, would be \$38.70.

The farmer has sold his wheat for money to pay his bill at Liverpool prices, less transportation, but he was compelled to buy at Massachusetts and Pennsylvania prices, and give this \$38.70 to build up a home market. If he buys where his surplus must sell, he would save the same amount to pay the Treasury for the privilege, and then in wording the bill "duties on same" would be substituted for protection, but as ten bills would be marked protection where one was marked duties, the farmer would soon learn where and how his money went, and would see the magnitude of the robbery.

If the farmer buys foreign goods of those who buy his surplus, the duty is simply a fine for not buying at home. Nations cannot buy unless they can sell, and our refusal to buy where we are compelled to sell has driven the customers for our farm produce away, so that they buy but a fraction of what they otherwise would. The protection policy has not only robbed the average farmer of more than \$100 annually on his necessities, and failed to benefit him in a home market, but is rapidly ruining his foreign market by forbidding him to buy where he is obliged to sell.

In the name of benefiting the farmer with a home market, and after three decades of protection and the wonderful growth of manufactures in this country, the farmer has less people in the United States to feed in proportion to his surplus products than he had in 1850 under the low tariff. After the mill owners have played upon the credulity of the farmer for more than thirty years in pretending to give him a home market and make him independent of foreigners, he is growing more and more dependent upon the foreigner as each year comes and goes.

This wall that has cut off the foreign market has reduced the price of farm products lower than they have been in thirty-five years. There is no resisting the inevitable decline and lower prices that will obtain if this McKinley law is maintained. One of the leading causes that prompted our Revolutionary fathers to separate from Great Britain and declare the war of independence was for "cutting off our trade with all parts of the world." This is the declared purpose, will, and intent of the authors of the present law. Had Mr. DINGLEY and his coworkers lived in the days of the Revolution, they would have been regarded as enemies of the country, English Tories, and treated as traitors and criminals of the Republic by a patriotic people. Whom of you gentlemen can fail to recall the solid array of gentlemen that hovered in and about the rooms of the Committee on Ways and Means in this Capitol last month, men of courtly mien and royal tread, cultured and refined? Wealth and royalty vying with each other.



The manufacturer was there with his accountant, the trust with its attorney, and the stockbroker with his retainers. These constituted the triumvirate of extortion that could be heard in the soft and gentle voice: "We must have class legislation; give us special privileges. Protection, more protection!"

These gentlemen seem to think and act as though they were the only class of people in this country that are entitled to the consideration of the Congress of the United States. I ask you, gentlemen, did you see one of the eight million farmers here in his plain clothes, with his sunburned face and his hard hands, appealing to the committee to fix the laws so that he would have an advantage over his neighbor? Did you see the blacksmith, with his strong arm and dusty face? Were the men here who dig the ditches, make the fence, build the barn, and erect the house? Were the men here who build the railroads, or the men who operate them? Where were the men who build your roads and pave your streets?

Not one of them was here. Where was the doctor, the lawyer, the merchant, the school-teacher? Not one of these men was here. Was the section boss, or any of his men? Where was the machinist, the coal miner, the teamster, or the gardener? Who of you gentlemen saw the puddler, the glass blower, or the stoker? Was the servant girl, the factory girl, or the poor seamstress from the garret crowding about that room demanding protection for their business? These persons are never seen walking through these halls and corridors and swarming around these committee rooms demanding the bounties of the consumer which have been extorted under the law of protection and paid with as much regularity and certainty to the protected gentry as the member of Congress is paid by the Sergeant-at-Arms. These millions are at home in the shop, in the mine, and in the field producing the wealth which is sought to be taken from them by the scheme of protection.

These people, however, are fast learning this whole question; that they are the men and women who pay the tariff, while the sleek and well-fed gentlemen who occupy these galleries here to-day get the tariff. Less than one person in seventy receives any part of the special benefits of protection. The gentleman from Ohio [Mr. GROSVENOR] makes the startling statement that the present low prices are the result of the success of the Democratic party in 1892. I presume there is no person so ignorant as to believe such a proposition. If we are to take the commercial history as the proof of our business, we find that the fall of prices has been steadily going down since silver was demonetized in 1873 and the protective tariff put in full force and effect.

The decline of the wages of labor, as well as the prices of farm products, under both the McKinley and Wilson bills, has been demoralizing to the laborer and the farmer. While the American farmer and laboring man have produced more wealth in the last thirty years in this country than any other country in the world, yet that wealth, by the operation of the doctrine of McKinleyism, has been transferred to the hands of the protected classes, and the farmer and laboring man are substantially as poor as they were ten years ago. The distinguished gentleman from Maine [Mr. DINGLEY] deals largely in prophecy in advocating his bill. He does not claim to be a soothsayer, but he is determined, if possible, to shift the responsibility of hard times from his party onto the shoulders of the Democratic party. He claims that the Cleveland Administration that closed on the 4th of March last emptied the Pandora's box of evils upon the country. I am frank to admit that is partly true. But Mr. DINGLEY knows, the Republican party knows, and the world knows that Mr. Cleveland, and all those whom he could intimidate and buy with public patronage, went into the Republican camp early in 1894, joined their efforts to break up the Democratic party, and with the efforts of the gentleman from Maine and the Republican party, jointly, secured the election of Mr. McKinley in 1896, in opposition to true Democracy.

The gentleman is certainly aware of the fact that every Democratic State convention repudiated Mr. Cleveland when he first betrayed the party in 1894. I want to say now to the gentlemen on that side of the House: "You have got Mr. Cleveland and his subjects; make the most use of the treasonable gang you can; we have no room inside the Democratic lines for such disorganizers, unless they repent and come into the Democratic fold and act as Democrats. The seal of condemnation was laid upon Mr. Cleveland and his policy by the voice of the Democracy of the United States in national convention at Chicago. Mr. Cleveland belongs to you by perfect title, having betrayed the party that elected him; he went voluntarily into your camp; you received him; you acknowledged and accepted his support in the election of your President, and now, in order to make the fellowship complete, Mr. McKinley has adopted his policy and methods of administration of the Government."

I want to say to you gentlemen that you can not shelter yourselves under a transparent subterfuge of your own creation of that kind. I well remember the statements made by many gen-

tlemen now on this floor in the Fifty-third Congress. They contended then that the great distress that hovered over the country like a pall of death was brought upon us by the operations of the Sherman law of 1890. They then said if Congress would repeal that act, prosperity would once more come back to the people and open up the mills and furnaces and gladden every home. Mr. Cleveland joined his efforts with yours and accomplished what you demanded; but still the mildew and blight of desolation continued. Now you have shifted your complaints, and say it is the Wilson bill that brought distress upon the country from 1890 to 1897. Some gentlemen, however, have gone so far as to attribute the last seven years of depression to the six and one-half million people who voted last fall for Mr. Bryan; that their influence was retroactive like the amendment that you now propose to this bill.

The distinguished gentleman from Ohio [Mr. GROSVENOR] says the Democratic party must be destroyed. He has made the prophecy that the idiots who voted for Mr. Bryan will read their stupid records in the red light of hell, and that will be their final doom. It has been almost two thousand years since intelligent people recognized these self-styled prophets, such as the gentleman from Ohio. In the days of Christ false prophets were taken beyond the gates of the city and stoned to death, but I am glad to know that that cruel treatment does not obtain with the good people of the Eleventh district of Ohio. If it did, this House would be denied the presence of one of the most distinguished, affable, and nonpartisan gentlemen upon this floor; and we are really glad that the death penalty in the time of the patriarchs has been transformed into a virtue and hallowed by Republican acclaim in this country. The gentleman seems to think all the ills of life and mistakes in legislation which crucify the laboring people now in this country are on account of the existence of the Democratic party. I say to the gentleman that this country, organized by Thomas Jefferson and his associates, was supported and maintained by the Democratic party sixty-seven years before the Republican party was born. It wrote the Declaration of American Independence, it made the Constitution, it wrote the first tariff-tax law, and laid the foundation of civil and religious liberty.

The Democratic party is here to stay, notwithstanding the consignment made by the gentleman from Ohio. Its existence does not depend upon class legislation and deceiving the people. It should be the object and aim of legislators to look well to those who produce the real wealth of the country. Let us review the markets for farm products and the necessities of the home, that speak in terms which silence all vapory declamation. I shall read an extract from Mr. A. J. Warner's statement on the decline of the price of farm products:

#### HOW PRICES HAVE FALLEN—THE DISASTROUS DOWNWARD MOVEMENT.

[A. J. Warner.]

Let us stop to review first the fall of prices from 1873 to 1893, and its effects upon property and the various industries.

We have not room to repeat long tables, nor is it necessary. Evidence is abundant, however, to prove that the general average of prices of staple commodities has fallen from 45 to 50 per cent since 1873. The same is true of property generally, except where special causes have operated to counteract the general downward tendency.

The effect was felt first in the prices of agricultural products and then in farm lands and farm labor. In fact, the decline fell first on unorganized industries and the products of unorganized labor. There was less resistance in these industries, and they gave way first.

Industries operating under the control or under the influence of organized labor offered stubborn resistance to a reduction in prices, and especially to a reduction in wages. And in large measure the rate of wages has been kept up in organized and protected industries, but duration of employment and total earnings, even in those industries, have materially decreased, as profits have decreased. This condition of things has led to combinations of capital in the form of trusts and combines of various kinds to uphold prices and increase profits. But in the great department of agriculture, embracing 45 per cent of the entire population, and giving support primarily to all, this has been impossible, and hence this greatest of all the industries began to suffer first, and has thus far suffered most.

A few facts will illustrate the effect of this condition on agriculture. Take first the leading staples, wheat, cotton, corn, oats, and hay. The average value of an acre's product of these crops in 1873 was \$15.65; in 1893, for the same quantity of products, \$8.15, a fall of nearly 48 per cent.

If we take wheat alone, the fall has been from \$13.16 to \$6 per acre, or over 54 per cent; and if we take cotton the fall has been greater still, or from \$28.01 to \$10.65, or a decline in the value of an acre's product, the quantity being the same as for 1873, of 62 per cent. The average acre value of the crops of 1873 was 85 per cent greater than in 1893. Nor can this be accounted for by an increase in crops, either for this country or for the world.

The estimated wheat crop of the world for 1891 was 2,432,000,000 bushels; for 1892, 2,403,000,000 bushels; for 1893, 1,904,000,000 bushels. But with a reduced supply the Liverpool price has gone down from \$1.15 in 1891 to 77.3 cents a bushel in 1893, a short crop and the lowest price for over a hundred years. The wheat crop of the United States is placed at 396,000,000 bushels for 1893, as against 516,000,000 for 1892.

The cotton crop for this country for 1892 was 6,717,000 bales; for 1893, 6,000,000 bales. At the same time the price has gone down from 8.4 cents a pound in 1892 to 6.89 cents for 1893. And altogether, if the farm products of this year could be sold at the prices prevailing in 1873, they would bring the farmers nearly \$1,500,000,000 more than at the prices prevailing this year. This would make a big difference in the debt-paying power of farmers.

This recital of the business of agriculture for the past ten years demonstrates the blight and mildew that have fallen upon the

farmer during that time. See what it has done for corn, wheat, oats, and wool since 1850:

Years.	Corn.	Wheat.	Oats.	Wool.
1851-1860	\$0.78	\$1.00	\$0.57	\$0.34
1860-1870	.88	1.42	.59	.50
1871-1880	.50	1.27	.43	.29
1881-1890	.54	.97	.39	.39
Present price	.41	.66	.36	.17

These tables that are made by the laws of trade speak the incontestable facts that necessarily contradict the political apologist who is willing to garble records and facts that political ends may be attained. These figures are old, and they have been often used, but neither age nor wear impairs their usefulness; and when the eloquent advocates for special privilege boast of what protection has done for the farmer, let them recur to these facts. While it may be true that the agricultural products bring more at the door of the Western farmer than they did a third of a century ago, yet this arises from the fact that while prices declined but 25 per cent in the leading markets during the decade in question, transportation was cheapened from 40 to 500 per cent. Hence a decline of 20 cents per bushel in price and a decline of 40 cents per bushel in transportation leaves an advance to the farmer of at least 20 cents per bushel.

While the farmer has been benefited by the improved methods of getting away from the home market, he lost sight of the fact that his produce was declining in price at the other end of the line, and while protection levied a tribute of \$7.80, \$13.44 to \$28 per ton on steel rails and from 20 to 60 per cent on other items of railroad expense, he was persuaded that he owed to protection these cheapened methods of transportation. That every man of discretion knows, notwithstanding the statements made by the gentleman from Michigan. But how could protection furnish a home market? It created no new capacity of the people to eat; it enlarged none previously created; and the well-paid labor which

was to consume the farmer's products is on a strike for enough to preserve life. Surely protection has protected, but whom?

The McKinley law and the Wilson law have reversed the God-given right, and compel the farmer to buy in the highest market and sell as best he can without protection. The farmer goes out with his \$100 that he and his family have laid by to purchase the necessary comforts of their home. He meets the German, who has the kind of goods he wants, and he proposes to buy. But Mr. McKinley reads his law to him, which says: "You can not buy from this foreigner; you must buy in the home market." "Well, but they charge me \$40 in the home market more for the same goods, and the home manufacturer will get \$40 of my money for nothing. What do you call that kind of a transaction, Mr. McKinley?" Mr. McKinley says: "That is protection." "Well, you may call it protection or what you please, but I call it a clean steal of \$40 from my family." These silent and eloquent appeals, fraught with all the pathos of human suffering and despair, find no helping hand on the Republican side of this Chamber. The manufacturer must have his blood money, he must have his heel upon the throat of labor to compel protection. What kind of empiricism guides their economic conduct and their conclusions, baffles all philosophy, patriotism, and statesmanship. History commands no respect and precedents are cast aside. The calamity statesman from Iowa, whose patronymy brought tears to the eyes of his devotees, implored this House to continue the tax of 60 per cent on the goods that the toiling millions must have in order that the manufacturer might have his exorbitant gains.

The following table gives the tariff averages from 1790 to 1890:

From—	Per cent.	From—	Per cent.
1791 to 1812	19.53	1834 to 1847	20.92
1812 to 1817	32.33	1847 to 1858	22.23
1817 to 1825	26.32	1858 to 1862	15.64
1825 to 1829	47.17	1862 to 1864	31.16
1829 to 1832	47.81	1864 to 1890	45.50
1832 to 1834	28.39	1890 to —, about	60.00
1834 to 1843	19.25		

I here insert in my remarks the entire schedules of the bill now under consideration.

## RECAPITULATION.

Schedules.	Dutiable value of merchandise for the fiscal years 1895, 1896, and of the proposed bill (H. R. 379).	Revenues—		Equivalent ad valorem.
		Collected in 1895 and 1896.	Estimated by proposed bill (H. R. 379).	
				Per cent.
<b>A</b> Chemicals, oils, and paints.....	1893..... \$20,600,099.82 1896..... 19,633,873.43 Proposed..... 26,896,371.55	\$6,369,522.42 5,513,545.78 \$8,418,198.19		31.07 27.99 31.31
<b>B</b> Earths, earthenware, and glassware.....	1893..... 23,647,394.85 1896..... 22,807,856.00 Proposed..... 21,339,374.02	12,118,334.81 7,982,980.72 12,292,940.78		51.20 35 52.62
<b>C</b> Metals and manufactures of.....	1893..... 47,557,741.09 1896..... 35,482,930.96 Proposed..... 29,892,878.37	27,092,729.97 13,354,632.90 17,169,901.82		57.21 37.58 46.51
<b>D</b> Wood and manufactures of.....	1893..... 12,445,560.51 1896..... 1,691,749.41 Proposed..... 13,397,443.67	1,837,802.90 384,712.95 2,203,568.98		14.93 32.87 16.58
<b>E</b> Sugar.....	1893..... 1,355,998.59 1896..... 73,019,061.62 Proposed..... 73,087,370.62	193,294.48 29,019,036.59 51,953,903.58		14.56 40.94 71.10
<b>F</b> Tobacco and manufactures of.....	1893..... 12,588,497.12 1896..... 13,625,272.51 Proposed..... 13,625,272.51	14,891,989.99 14,899,117.02 22,352,701.34		117.32 109.05 164.05
<b>G</b> Agricultural products and provisions.....	1893..... 38,999,495.15 1896..... 31,351,738.22 Proposed..... 38,418,464.76	12,000,571.93 7,997,519.57 15,319,787.09		31.17 25.28 39.31
<b>H</b> Spirits, wines, and other beverages.....	1893..... 13,995,411.06 1896..... 11,270,965.24 Proposed..... 11,990,732.29	9,701,253.44 6,935,618.08 11,323,055.23		69.74 61.54 94.75
<b>I</b> Cotton manufactures.....	1893..... 23,510,438.98 1896..... 21,280,724.03 Proposed..... 21,280,724.03	21,323,055.23 9,311,329.85 11,590,976.74		90.70 43.75 54.14
<b>J</b> Flax, hemp, and jute, and manufactures of.....	1893..... 43,437,014.01 1896..... 29,736,551.02 Proposed..... 22,858,740.09	18,974,839.35 12,018,082.78 44,068,129.95		43.68 40.51 81.79
<b>K</b> Wool and manufactures of.....	1893..... 55,419,291.08 1896..... 48,352,019.90 Proposed..... 37,919,518.92	44,068,129.95 25,027,569.67 23,310,238.74		79.52 51.56 50.66
<b>L</b> Silk and silk goods.....	1893..... 26,927,531.71 1896..... 26,835,192.71 Proposed..... 8,689,319.22	12,501,000.17 14,461,286.42 2,076,124.19		46.04 53.09 23.84
<b>M</b> Pulp, papers, and books.....	1893..... 5,569,196.75 1896..... 7,121,890.81 Proposed..... 57,574,452.48	1,242,124.54 2,121,019.25 15,086,544.09		22.14 39.82 26.06
<b>N</b> Sundries.....	1893..... 46,231,681.26 1896..... 55,749,023.94 Proposed..... 4,389,007.00	10,921,164.28 17,044,519.34 717,530.79		23.63 30.57 16.35
Section 3, act of 1890.....	1893..... 4,389,007.00 1896..... 4,389,007.00 Proposed..... 1,361,192.47	717,530.79 717,530.79 238,931.01		Free. 16.35 18.98
Unenumerated (act of 1890, section 4; act of 1894, section 3; proposed bill, section 4).	1893..... 1,000,546.92 1896..... 1,000,546.92 Proposed..... 1,000,546.92	162,388.53 162,388.53 162,388.53		16.22 16.22 16.22
<b>Grand total.....</b>	1893..... 400,069,658.48 1896..... 320,736,561.12 Proposed..... 479,549,496.39	198,573,452.97 156,104,508.81 273,501,721.53		49.58 50.94 57.03



These figures speak a wonderful truth if we will study them in the light of history. We can see no immediate solution of this vexed question. However, they teach us one important lesson: That under the lowest tariff this Government has ever had we have always had the greatest prosperity. The lowest tariff during the century was known as the Walker tariff of 1846, which was in force from 1847 to 1862. The average rate of duties during that time was about 19 per cent, about one-fourth the rate under which the country is now suffering.

The distinguished member from Maine [Mr. DINGLEY], in his argument a few days ago, made what he supposed to be an attack upon this side of the House, because some gentleman had used percentages in showing the increase of wealth during the operation of the Walker tariff. I have no doubt but he attacked the principle from the fact that the statistics show the greatest increase of wealth this country ever experienced was during that time. From 1846 to 1861, under the tariff law that my friend denounces, the tonnage of our shipping engaged in foreign trade increased from 943,307 tons to 2,495,894 tons, an increase of almost 300 per cent, and from 1861 to 1887, under tariff laws which he commends, our shipping gradually decreased until, according to the last report, we have but 989,412 tons of shipping engaged in foreign trade, showing a loss under Republican rule of two-thirds of our foreign tonnage.

Again, in 1861 American vessels carried 70 per cent of our exports, while to-day they carry about 12 per cent in American vessels. Our exports of domestic merchandise were only \$101,907,734 in 1846. In 1860 they were \$316,242,423, an increase of more than 300 per cent. We had but 4,930 miles of railroad in 1846. In 1861 we had 31,286, an increase of more than 600 per cent. I insist that the history of no country at any time can show such unexampled percentage of progress as this.

By referring to the history of that period we find that trade, commerce, and agriculture were greatly revived as well as emancipated from the protective tariff of 1842. Large enterprises were entered into, capital was seeking investment, farmers were extending rapidly into the West and South, shipping was revived, and labor was in demand at satisfactory prices. There were no strikes, no lockouts; no person who desired employment was forced into idleness. The greatest prosperity obtained in every department of business. The decade preceding this, from 1840 to 1850, showed the increase of wealth to be 64 per cent. But the greatest gain of wealth in the history of our country was from 1850 to 1860, the gain being 126 per cent.

Take the fifteen years that the Walker free-trade tariff law was in full operation, and the increase of wealth in the United States was 103 per cent. From 1860 to 1870 the increase was 17 per cent; from 1870 to 1880 the increase of wealth was 19 per cent. From 1880 to 1890 the increase was 46 per cent. Take the last fifteen years of high protective tariff, including the three years under the McKinley bill, and we find the increase of wealth during the fifteen years under the free-trade tariff was 39 per cent greater. This historical fact attested by experience should satisfy, and I apprehend does satisfy, every man in this country who is not interested in special privileges. As further proof of the correctness of this great principle I submit the statement made by some of the great men of the age:

I submit one more quotation of the Hon. Joseph Medill, of the Chicago Tribune:

#### A TARIFF FOR REVENUE ONLY DEMANDED.

Now, I make the application that if the American tariff were cut down—I do not say totally abolished, I have never advocated that, but cut down to a fair revenue standard, down to about where it was in 1857, 1858, 1859, 1860, and 1861—to 15 or 20 per cent ad valorem, to that point which would prevent throwing what is called "slaughtered" goods on our market, the effect would be, as it was from 1846 to 1861, to cheapen the cost of living in the United States one-third at least. It would lower rent, and fuel, and groceries, and medicines, and tools, and travel, and transportation; and to that extent it would enhance the value of a man's wages in the same degree that the number of dollars paid were lessened. Our mechanics, to their own surprise, would find that under a low tariff judiciously levied, not exceeding 15 or 20 per cent, with a liberal free list of raw material of manufacture, they would prosper better than they do now on their artificial system of high protection, which goes on the principle of high profit on small sales.

#### PROSPERITY UNDER THE LOW TARIFF OF 1846.

But I ought not to fail to state that the low revenue tariff of 1846 produced more general prosperity and progress in the development of all our industry than any protective system since devised has ever done. So satisfactory was its operation that when the parties met and adopted their platforms in 1856 neither party ventured to find any objection to it, and when the further reduction below 20 per cent was made in 1857, it received the almost unanimous approval of the representatives from New England, nearly all of whom were opposed to the then Administration. On the 21st and 25th of March, 1870, Senator ALLISON, then a prominent member of the Ways and Means Committee of the House, spoke of that tariff as follows:

"The tariff of 1846, although confessedly and professedly a tariff for revenue, was, so far as regards all the great interests of the country, as perfect a tariff as any that we have ever had. If any interest was depressed under the tariff of 1846, it was the iron interest. I do not believe that this interest, as compared with other interests, had sufficient advantage under that tariff; yet when we compare the growth of the country from 1840 to 1850 with the growth of the country from 1850 to 1860—the latter decade being entirely under the tariff of 1846 or the amended and greatly reduced tariff of 1857—we find that the increase in our wealth between 1850 and 1860 was equivalent to

123 per cent, while it was only 64 per cent between 1840 and 1850, four years of which decade were under the tariff of 1842, known as a high protective tariff, but the average rate of which was about 70 per cent below the existing rate, or 27 per cent under the tariff of 1842, as against 44 per cent upon all importations under the present tariff. \* \* \* With regard to the condition of the steel industry in 1860, the steel manufacturers in 1866, memorializing Congress for increase of duties on steel, stated that—

"It was reserved for Pittsburg to bring about the first substantial and enduring success in the year 1890; and encouraged by our example numerous establishments have sprung into existence, as already indicated in this paper. This shows that under the revenue tariff of 1857, which imposed only an ad valorem duty of 12 per cent on steel, a substantial success was achieved in the steel manufacture in 1860."

#### REPUBLICAN INDORSEMENT OF FREE TRADE.

If the system of perfect liberty to industry and commerce were the prevailing system of nations, it will not be affirmed that they might not be permitted, with very few exceptions, to serve as a rule of national conduct. If one nation were in a condition to supply manufactured articles on better terms than another, that other might find an abundant indemnification in a superior capacity to furnish the produce of the soil. And a free exchange, mutually beneficial, of the commodities which each was able to supply on the best terms, might be carried on between them, supporting in full vigor the industry of each.—Alexander Hamilton, Report on Manufactures, 1791.

Far be it from me to retard the march of the world toward the free and unrestricted interchange of commodities. When the democracy obtains sway throughout the earth the nations will become friends and brothers.—Andrew Carnegie's Triumphant Democracy.

Every advance toward a free exchange of commodities is an advance in civilization; every obstruction to a free exchange is born of the same narrow, despotic spirit which planted castles upon the Rhine to plunder peaceful commerce; every obstruction to commerce is a tax upon consumption; every facility to a free exchange cheapens commodities, increases trade and production, and promotes civilization.—Hon. John Sherman, June 9, 1868.

#### THE HOPE OF A PATRIOTIC REPUBLICAN.

This is my doctrine of protection. If Congress pursues this line of policy steadily, we shall year by year approach more nearly to the basis of free trade, because we shall be more nearly able to compete with other nations on equal terms. I am for protection which leads to ultimate free trade.—James A. Garfield, April 1, 1870.

The principles laid down in the tariff of 1846 were so satisfactory to the entire trade and business of the country that a change or modification of its provisions was not discussed or made an issue by either party.

I know this House would like to have the gentleman from Ohio explain how the bringing in of \$1,000,000 worth of goods from a foreign country and exchanging them for \$1,000,000 worth of goods produced in this country can injure labor or commerce. The goods we exchange can be made cheaper in this country than anywhere else, and the goods we receive can be made cheaper than we can produce them ourselves. Hence the motive for exchange and trade.

The very thing that enhances the price of labor and broadens trade is exchanging of surplus products of man and nation with other people and other countries. If we should attempt to carry out the doctrine of the gentleman by sending our goods to other countries and demanding money alone in exchange, in a very few years we would have all the money taken from our customers in exchange for our goods. Then what would the condition of the two countries be? We would have all the money; trade would cease; our customers bankrupt, as a result of such short-sighted doctrine. The Chinese Government adopted this policy more than three thousand years ago. They did not have the sagacity of our protection friends to establish by law a wall of penal statutes and proscription. They erected a wall of stone, and upon its battlements they placed a soldiery and said to the outside world that no man or nation shall exchange or trade with our people.

Their system was effective and all trade was prohibited. And what is the result? Their civilization is a mockery, their people are regarded as lepers, and the price of their labor is the lowest of any nation of earth. This is the feast to which the people of this country are invited by the friends of protection. I can not think that the honored gentleman desires such fearful consequences, but his doctrine wherever put to the test has brought about the same result. Go to Italy, and there you will find labor degraded; the same in Russia, Spain, and Mexico. These are the model high-tariff countries the gentleman wishes us to copy after. I think it would be a much safer rule to take the experience of the world than the poisonous demands of avarice. I was very glad to hear the frank and manly confession and admission of the gentleman from New York [Mr. PAYNE], that the object and aim of protection was to enrich the manufacturers so as to enable them to pay their laborers higher wages. I was also amazed as well as pleased to hear the distinguished gentleman from Maine [Mr. DINGLEY] make a like confession and statement to this House. This, however, is no new doctrine.

It was enunciated more than one hundred years ago by the great prototype of the Republican party, Alexander Hamilton, declaring that the true doctrine of protection and purpose of government should be to make one class of people rich by special legislation, so that they might take care of the poor laboring class. Why not carry out this doctrine in a more simple and direct way, without so much circumvention? Our Republican friends insist that the law should be such that the manufacturer can compel the consumer to pay him from 30 to 300 per cent of a tariff tax so that the manufacturer can distribute that amount to his laborers.

Why not make the law so as to pay the money to the laborers and let them divide with the manufacturers? I feel certain that they would deal quite as fairly with the manufacturer as the manufacturer deals with them. I know the laborer to be quite as generous and magnanimous as the manufacturer, and would be as ready and willing to divide as the manufacturer is with them now. I will read what some of the great men who made this Republic had to say on this question:

#### UTTERANCES OF LEADING DEMOCRATS.

THOMAS JEFFERSON.

Cutting off our trade with all parts of the world.—*Declaration of Independence* (among acts of tyranny by Great Britain, alleged as justifying revolution).

I think the world would gain by setting commerce at perfect liberty.—*Letter to John Adams, 1785.*

With all these blessings what more is necessary to make us a happy and prosperous people? Still one thing more, fellow-citizens—a wise and frugal Government which shall restrain men from injuring one another, shall leave them otherwise free to regulate their own pursuits of industry and improvement, and shall not take from the mouth of labor the bread it has earned. This is the sum of good government, and this is necessary to close the circle of our felicities.—*First Inaugural, 1801.*

I shall be glad, too, if an additional tax of one-fourth of a dollar a gallon on whisky shall enable us to meet all our engagements with punctuality. Viewing that tax as an article in a system of excise, I was once glad to see it fall with the rest of the system, which I considered as prematurely and unnecessarily introduced. But the prostration of body and mind which the cheapness of this liquor is spreading through the mass of our citizens now calls the attention of the legislator on a very different principle. One of his important duties is as a guardian of those who, from causes susceptible of precise definition, can not take care of themselves. Such are infants, maniacs, gamblers, drunkards. The last, as much as the maniac, requires restrictive measures to save him from the fatal inattention under which he is destroying his health, his morals, his family, and his usefulness to society. One powerful obstacle to his ruin by his self-indulgence would be a price beyond his competence. As a sanitary measure, therefore, it becomes one of duty in the public guardians.—*Letter, May 3, 1823.*

JAMES MADISON.

I am myself the friend of a very free system of commerce, and hold it as a truth that commercial shackles are generally unjust, oppressive, and impolitic. All are benefited by exchange; and the less the exchange is cramped by government, the greater are the proportions of benefit to each. The same argument holds good between nation and nation, and between parts of the same nation.—*First Congressional Debate.*

ANDREW JACKSON.

In reducing the revenue to the wants of the Government your particular attention is invited to those articles which constitute the necessities of life. The duty on salt was laid as a war tax, and was no doubt continued to assist in providing for the payment of the war debt. There is no article the release of which from taxation would be felt so generally and so beneficially. To this may be added all kinds of fuel and provisions. Justice and benevolence unite in favor of releasing the poor of our cities from burdens which are not necessary to the support of our government and tend only to increase the wants of the destitute.—*Last Annual Message to Congress.*

SAMUEL J. TILDEN.

A protracted struggle between privilege on the one hand and freedom on the other resulted, in 1846, in the triumph of the latter in the substitution of a revenue policy calculated to relieve the burdens of labor from a system falsely denominated "protective," whose operation has been to oppress labor and take from his mouth the bread it had earned. The advance toward commercial freedom made by the tariff laws of 1846 was a great victory for liberal principles, the consequences of which are seen everywhere in the increasing prosperity of agricultural, commercial, and manufacturing industry. With her boundless resources, and the extraordinary facilities for traffic presented by her great natural and artificial channels of travel, New York wants freedom—freedom from restrictive taxation. Give her that and she can protect herself.—*His draft in address of Democratic members of New York legislature, April 12, 1848.*

#### LET "ETERNAL VIGILANCE" TAKE COUNSEL OF THE IMMORTALS.

As a citizen of the great Republic, of humanity at large, I can not avoid reflecting with pleasure on the probable influence that commerce may hereafter have on human manners and society in general. On these occasions I consider how mankind may be connected like one great family in fraternal ties. I indulge a fond idea that the period is not very remote when the benefits of a liberal and free commerce will pretty generally succeed to the devastations and horrors of war.—*George Washington, letter to Lafayette, 1786.*

It were, therefore, to be wished that commerce were as free between all the nations of the world as it is between the several counties of England; so all would, by mutual communication, obtain more enjoyment. These countries do not ruin one another by trade; neither would the nations.—*Benjamin Franklin, 1774.*

This country, or any other country that attempts to control commerce, trade, and labor by acts of legislation, antagonizes the immutable laws of nature. Popular government can not live under such a system. Whenever business has to depend upon political economics, the result of political contests, no business can be stable. Capital will be demoralized and labor thrown out of employment precisely as it is now throughout our country.

The doctrine contended for by our Republican friends that one class of our people shall be compelled by law to protect another class is inconsistent with the doctrine of equality of right and un-American. The country has recognized the fact that it was an evil day when the American Congress permitted themselves to found what they claim to be a revenue system upon the demands of parties and corporations, who were to receive the entire benefits of protection. As well found the jurisprudence of governments upon the decision of the judge who sits upon the bench, testifies, and decides in his own case.

Mr. Chairman, this tariff bill brought in here by the Committee

on Ways and Means is infamous. It stands like a highwayman in the road of the American people to prosperity. It is an enemy to legitimate industry, a menace to the ambition and hopes of enterprising people, a crime against labor and agriculture. It is a financial outlaw; it has not one redeeming quality in all of its provisions; they are all bad. It revives imperial ideas of government. It puts a premium upon profligacy and idleness. It brings the venal and vicious into control. It fastens a shoddy nobility upon the country. It forces the earnings of the wealth producer into the pockets of a class who render no consideration. It is a harlot masquerading in the robes of virtue. The sum of all covetousness, avarice, and inordinate greed. It stands without a rival in extortion, and brings reproach upon American character.

Mr. Chairman, Republicanism of to-day is the synonym of extravagance. Class legislation is its hobby. Prodigality of the people's taxes are made a plaything by them, and deceiving the people is the shibboleth of their power. They recognize no rights of the common people, and legislate their property into the hands of their friends. The table that I submit will show their wild extravagance and the disregard of those who furnish the money to pay the expenses of this Government.

No authority is recognized by the gentlemen who occupy the other side of this Chamber but the wants and demands of the protectionists. Why should not the sixty-eight millions of people who are engaged in all the other departments of business in this country be recognized? Gentlemen, as long as there is a party that seeks or attempts to legislate solely for the benefit of capital at the expense of labor and agriculture there will be work for the Democratic party. How do these gentlemen meet this question? Not in a fair, manly way. Theory is arrayed against facts, and prophecy is set up against experience. I find that all protectionists are prophets and believe in foreordination. When this question was submitted to the people in 1890 and 1892, and the issues were made so plain that the people had no difficulty in expressing an intelligent judgment, we recognized the fact that a long step had been taken toward the destruction of the heresy of protection by the people at the polls. Now is the time for their Representatives to do their duty, and if they are but true to the people the days of tariff robbery are numbered.

Mr. Chairman, I wish to define the Republican doctrine of protection according to its actual effects upon the whole people. As now manipulated under the law, it is a combination between a duty and a trust, and they must both operate together to be of value to the protected. The tariff prevents foreign competition, and the trust prevents home competition; thus designing the few in the charmed circle who fix the price of their products and compel the consumer to pay them or freeze or starve. No industry can be protected where the producers can not combine and fix the selling price. Their own competition destroys the protection.

It lays the burdens of taxation more heavily upon the farmer and the laborer now than ever before.

It has no reference to raising the necessary revenue to support the Government.

It limits the exchange of the farmer's surplus product and reduces the price.

It enhances the value of the protected article to the home consumer and limits the field of labor.

It compels every laboring man in the country to give more of his earnings for the protected goods and leaves labor on the free list.

Its advocates contend that the more money it takes from the taxpayer the richer they become.

It has created 470 trusts and corporations, whose net income is more than six hundred millions annually.

It has established a privileged class that costs the people of this country two hundred times more than the nobility of England.

#### THE IMMORALITY OF PROTECTION.

It violates every principle of honesty and integrity.

Its life is drawn from the polluted blood of avarice.

It feeds upon the credulity of a distorted public sentiment.

It holds its power on the floor of this House by demagogical and dishonest appeals to the people, and hides its cupid in a heartless conspiracy.

It is robbery under the forms of law.

It deprives the owners of their property without due compensation.

It is the only case of grand and petit larceny where the people who are robbed have no remedy under civil or criminal law.

It laughs at the criminal statutes of the States when it puts forth its felonious hand to take the earnings of the toiling millions.

It stands before the world a speculative outlaw, and in the name of beneficence to labor it plunders the widow and orphan.

As the pretended champion of the laboring man's cause it exacts tribute from the blood and muscle and brain of toiling humanity.

It closes the doors of the factories and turns men, women, and



Appropriations made by the Fifty-first, Fifty-second, Fifty-third, and Fifty-fourth Congresses, fiscal years 1891 to 1897, inclusive.

Title.	Fifty-first Congress (Republican).		Fifty-second Congress (Republican).		Fifty-third Congress (Democratic).		Fifty-fourth Congress (Republican).
	First session, 1891.	Second session, 1892.	First session, 1893.	Second session, 1894.	Extra and first regular sessions, 1895.	Third session, 1896.	
Agriculture .....	\$1,789,100.00	\$3,028,153.50	\$3,232,995.50	\$3,323,500.00	\$3,223,023.06	\$3,303,750.00	\$6,438,434.00
Army .....	24,306,471.79	24,613,529.19	24,308,499.82	24,225,639.78	23,562,884.68	23,252,008.09	46,407,747.03
Diplomatic and consular .....	1,710,815.00	1,656,925.00	1,694,045.00	1,557,445.00	1,563,918.76	1,574,458.76	3,337,867.52
District of Columbia .....	5,760,544.15	5,597,125.17	5,317,973.27	5,413,223.91	5,545,678.57	5,745,443.25	12,087,910.54
Fortifications .....	4,232,905.00	3,774,803.00	2,734,276.00	2,210,055.00	2,427,004.00	1,904,557.50	16,895,029.00
Indian .....	7,262,016.02	16,396,284.86	7,604,047.84	7,854,240.38	10,659,565.16	8,702,751.24	15,060,717.68
Legislative, etc. ....	21,000,732.75	22,027,674.75	21,900,132.97	21,865,802.81	21,305,583.29	21,891,718.08	43,210,091.61
Military Academy .....	435,296.11	492,064.64	428,917.33	432,556.12	406,535.08	404,261.66	929,008.44
Navy .....	24,136,035.53	31,541,654.78	28,543,385.00	22,104,061.38	25,327,126.72	29,416,245.32	63,090,885.24
Pension, including deficiencies a .....	123,779,593.35	164,550,383.34	154,411,682.00	180,681,074.55	151,981,570.00	141,381,570.00	282,592,460.00
Post Office .....	72,226,098.99	77,907,222.61	80,331,276.73	84,004,314.22	87,236,599.55	89,545,997.86	188,236,922.97
River and harbor .....	25,136,255.00	c38,388,552.73	27,665,076.93	41,716,311.15	11,643,180.00	(g)	h12,659,550.00
Sundry civil .....	631,100,341.38	c38,388,552.73	27,665,076.93	41,716,311.15	34,253,775.55	446,568,160.40	86,126,761.77
Deficiencies, except for pensions .....	13,203,541.61	9,364,148.62	8,230,859.50	8,127,361.51	11,811,004.06	9,825,374.82	j23,715,162.67
Total .....	356,121,211.68	399,278,522.19	382,527,385.89	403,515,586.11	390,578,048.48	383,630,896.97	k916,010.06
Miscellaneous .....	7,010,905.27	d19,488,531.10	3,208,922.82	530,499.18	577,956.55	297,067.37	
Total regular annual appropriations .....	363,132,116.95	418,767,053.29	385,736,308.71	404,046,085.29	391,156,005.03	383,928,964.34	239,132,380.00
Permanent annual appropriations .....	e131,324,131.70	e121,488,808.00	e121,863,880.00	e115,468,273.92	e101,074,680.00	e113,073,956.32	
Total .....	494,456,248.65	540,255,861.29	507,600,188.71	519,514,359.21	492,230,685.03	497,002,920.66	1,043,437,018.53
Total Fifty-first, Fifty-second, and Fifty-third Congresses .....	1,035,689,109.94		1,027,104,547.92		989,239,205.69		

a Deficiencies included as follows: 1891, on account of 1890, \$25,321,907.25; 1892, on account of 1891, \$29,335,596.34; 1893, on account of 1892, \$7,674,332; 1894, on account of 1893, \$14,149,724.83.

b This amount includes \$1,302,050.16 actual expenditures under indefinite appropriations for pay and bounty claims.

c This amount includes \$975,188.74 actual expenditures under indefinite appropriations for pay and bounty claims.

d This amount includes \$15,227,000 for refund of direct taxes in addition to the specific sum of \$500,000 appropriated for that purpose.

e This is the amount originally submitted to Congress by the Secretary of the Treasury as estimated to be necessary under permanent specific and permanent indefinite appropriations, except that to the amount thus submitted for 1891, \$101,628,453, there are added expenditures under permanent appropriations made by the Fifty-first Congress subsequent to said estimate, as follows: Salaries, diplomatic and consular service, \$27,756.79; redemption national bank notes, \$24,553,231.50; expenses of Treasury notes, \$218,362.00; coinage of silver bullion, \$210,893.14; rebate tobacco tax, \$770,982.39; and repayments to importers and for debentures and drawbacks, customs service, \$1,915,283.28; in all, \$29,695,678.70.

f This sum is exclusive of \$1,600,000 for second installment on account of purchase of Cherokee Outlet, which has been paid under "permanent annual appropriations," but is not included in the estimates thereunder for 1897. A like sum was included in the Indian appropriation act passed at the last session of the Fifty-third Congress.

g No river and harbor act was passed during the last session, but the sundry civil act of that session carried \$11,287,115 for river and harbor works under contract, while the sundry civil act of this session appropriates only \$3,284,597 for such works.

h This does not include \$1,000,000 estimated to be necessary under indefinite appropriation made in river and harbor act of the first session of the Fifty-fourth Congress to purchase property of Monongahela Navigation Company.

i This sum includes \$5,238,239.08 to pay sugar bounty under legislation enacted by the Fifty-first Congress.

j This sum includes \$1,496,673.56 for objects that are in no sense deficiencies; \$3,614,133.77 to pay judgments of the courts and audited accounts certified by the accounting officers for 1893 and prior fiscal years; in all, \$5,110,813.33.

k Estimated.

children into the street to starve and to die in order to influence and secure legislative favors.

It has consummated combinations and trusts in order to limit production and increase the price of its products.

It has debauched the public press and attempted to overawe majorities.

It contributes millions to corrupt the voter and prevent the free, independent, and unawed will of the people from being expressed.

It exerts all of its energies to prevent the execution and application of the doctrine of popular government.

Protection is a proclamation to the world that the ports of America are closed to a large portion of the world's trade, and to make this blockade effectual 57 per cent of the goods proscribed are to be confiscated in all cases of violation. The blockade has been a grand success, and true to the purpose of all blockades it has ruined the commerce of the country blockaded. The proud American ship, the finest and swiftest on earth, has gone down before this whirlpool of madness and folly. The American sailor, brave and true, has vanished. The shipbuilding industry, second only to agriculture, is annihilated, and the most valuable carrying trade on earth is turned over to the nation of all others that the protectionist hates and fears. Protection has wrenched the banner of progress from America and placed it in the hands of haughty England, and thus found her the commercial mistress of the world.

There is one peculiar feature about this protection blockade. The people are allowed to sell abroad if they will ship with foreigners and buy abroad what the favored class can not furnish them. As the blockade is in the interest of a small class of political hucksters, the people are allowed to buy of the world what these political hucksters do not keep in stock. Of course the farmer must sell his goods in free-trade England, as there is no demand for his goods at home; but he must return and buy his coat, blanket, and wife's dress from the home market. Then he may buy his tea in China, coffee in Brazil, and fertilizers in Peru; but he must not forget to return by way of Pittsburg to buy his iron. The arch enemy to our industrial progress, according to the protectionist, is free-trade England. Yet this protective policy has placed us commercially at the mercy of these fell destroyers. We are dependent upon this enemy for our industrial progress, for a market for over half our entire exports, for almost our entire trade with other countries, for ships and sailors to carry our products and ourselves abroad and to bring back the

things that the political hucksters do not keep in stock. They take our goods abroad, sell them, pay our bills with the world, and bring back our receipt. We have nothing to do but to stay at home as farmers and plow.

I submit a very interesting report furnished by the Department of Agriculture, which shows the agricultural exports and the countries to which they are taken, for the years 1895 and 1896.

#### MANUFACTURED COTTON.

Country.	1895.	1896.
United Kingdom .....	\$104,101,245	\$93,050,467
Germany .....	43,078,389	41,759,576
France .....	21,938,213	19,506,348
Italy .....	9,771,190	10,533,082
Spain .....	7,671,168	8,739,024
Belgium .....	4,436,068	3,539,012
Russia .....	4,217,658	3,693,406
Canada .....	3,414,156	2,888,749
Mexico .....	2,352,299	1,643,183
Japan .....	1,806,058	1,481,056
Total export .....	204,900,990	210,611,885

#### WHEAT AND WHEAT FLOUR.

United Kingdom .....	\$60,983,001	\$57,014,590
Canada .....	5,382,795	5,610,649
Brazil .....	2,683,997	3,450,156
Netherlands .....	5,185,077	2,807,041
Belgium .....	3,610,605	2,339,891
British Africa .....	75,602	2,338,590
Hongkong .....	2,101,682	2,344,086
Portugal .....	1,768,198	2,156,420
British West Indies .....	1,803,007	2,101,158
British Australasia .....	6,180	1,769,690
Germany .....	2,263,000	1,241,019
Total export .....	95,457,501	91,735,085

#### BACON.

United Kingdom .....	\$29,024,682	\$27,746,803
Brazil .....	1,988,394	1,482,705
Belgium .....	3,138,724	1,428,536
Total export .....	37,776,236	33,442,847

LARD.		
Country.	1895.	1906.
United Kingdom.....	\$14,301,618	\$13,521,493
Germany.....	8,018,516	7,788,975
Netherlands.....	2,394,213	2,387,044
France.....	2,681,650	2,131,380
Belgium.....	2,877,197	1,900,065
Cuba.....	2,209,067	1,551,185
Total export.....	36,821,508	33,589,851
CATTLE.		
United Kingdom.....	\$28,492,424	\$33,394,943
Total export.....	30,003,796	34,560,672
CORN AND CORN MEAL.		
United Kingdom.....	\$2,306,888	\$18,863,176
Germany.....	1,677,914	5,121,591
Netherlands.....	1,210,550	3,441,722
Denmark.....	258,110	2,522,495
Canada.....	1,623,625	2,189,583
France.....	301,689	1,624,054
Belgium.....	614,278	1,398,431
British Africa.....	424	1,050,244
Total export.....	15,239,611	38,490,983
TOBACCO, LEAF AND STEM.		
United Kingdom.....	\$9,285,946	\$3,205,289
Germany.....	3,910,389	4,034,342
Italy.....	2,288,423	2,874,473
France.....	2,901,068	2,614,605
Belgium.....	2,432,006	2,216,921
Netherlands.....	1,127,383	1,152,136
Canada.....	1,082,571	1,073,976
Total export.....	25,798,968	24,571,382
BEEF, FRESH.		
United Kingdom.....	\$16,784,936	\$18,950,744
Total export.....	16,832,860	18,974,107
HAMS.		
United Kingdom.....	\$9,245,618	\$10,068,718
Belgium.....	180,099	1,091,822
Total export.....	10,960,567	12,669,763
OLEOMARGARINE, THE OIL.		
Netherlands.....	\$3,907,712	\$5,056,488
Germany.....	1,839,310	1,575,906
Total export.....	7,107,018	8,087,905
OIL CAKE AND OIL-CAKE MEAL.		
United Kingdom.....	\$3,216,971	\$3,506,715
Germany.....	2,339,885	1,939,558
Belgium.....	519,321	1,206,719
Total export.....	7,165,587	7,949,647

The hideous monster of protection that has grown opulent and powerful upon ill-gotten gains comes stalking into this House again at this session and demands additional patrimony from the Government. Its capacious maw will never be satisfied as long as this Congress allows the selfishness of the few to control the rights of the masses of the people. No age, sex, rank, or condition is exempt from its remorseless grasp. It reaches out and demands the contribution of the agriculturist, the railroad corporations, labor, and the great mass of the people in the small trades. Go to the lonely tenant of the poor widow who is making pants at 12 cents per pair and flannel shirts at 45 cents per dozen, in some lonely garret, and there you will see how some of the money is earned to pay Andrew Carnegie 115 per cent for the iron and steel beams that go in the building above her head and 93 per cent on the glass that admits the light upon her never-ending toil. Go down into the cold, damp chambers of the coal mine, and there you will find the honest miner digging coal at 50 cents per ton to pay the stove trust 45 per cent on the stove that cooks his dinner and warms his home.

I have been waiting day after day since the debate began upon

this bill to hear some friend of the measure tell this House in what manner and by what method the adoption of this bill will relieve and aid the millions. It is repeated over and over that you want to raise more revenue by raising the taxes on the people. Doubtless you can tax more money out of the people to meet the wild extravagance of a billion-dollar Congress, but how can that raise the price of farm products and labor? I have always been curious about relieving the people by placing more burdens upon them. Should the revenue be sufficient to meet the present demands of the Government, would that raise the price of labor and farm products? There is no hypothesis by which you can answer in the affirmative. Tariff taxation can have no effect upon the price, except to make the article taxed dearer. It is exceedingly strange to me that great men who seem to be philanthropic toward their fellow men would advocate and hold out such delusions to the people. Are 70,000,000 people going to be prosperous simply because the Government is keeping out of debt? The Government is not in business like the people. It produces no wealth. It earns no money. It plants no seed. It plows no ground. It sails no merchant marine. It is simply an ideal machine. It passes the contribution box to the people when it wants money to run the Government. To ascribe the present distress of the farmer, the merchant, the mechanic, and the laboring man, and also the failure of banks, railroad corporations, and the depression in prices to the mere fact that the Government is not collecting sufficient revenue to meet the demands of current expenses, is certainly not a serious question with them. They must know that all such claims as those set up by the press, the speaker, and the writer in the last campaign and their statements now are not founded upon any fact found in political economy or the experience of any nation or individual.

Mr. Chairman, the settlement of this question of injustice is the most important that can possibly come before this Congress. The masses of the people have been and are now in the throes of expectancy. Party feeling is in abeyance, all hoping for relief. The hearts of the people are turned to this Congress, and what is the response from you? Taxes, more taxes! "They ask for bread and you give them a stone." Instead of reducing these burdens you pile them higher and higher; instead of prosperity you give depression; and now the leader of your party, the author of this bill, comes into this House and issues his orders to all of you to stand in line, and you do so, and all pipe the praises of high taxation. Gentlemen, the Republican party has for the last thirty years been writing its records of oppression upon the blistered palm of the toiling millions, making the wealth producers the subjects of protected barons.

These people now turn to us and demand that we lift from their shoulders this burden that has been weighing them down under the load of legislative monopoly. This is a great task and duty, but we must meet it in the spirit of patriotism and justice, and bring back that equality of right that must obtain if this Government continues. Democratic legislation, unlike Republican, does not mean that the protected classes and the officeholders are only beneficiaries, but a blessing to every man who earns his bread by the sweat of his face, that the clothes that go upon his back, the food he eats, and the shelter above his head may be obtained with less labor and toil, and that taxation be reduced.

The Democratic party was organized at the commencement of the Government as a necessity to protect and defend the great principles of civil and religious liberty and carry out that heaven-born doctrine, "Do unto others as you would have them do unto you"—the greatest good to the greatest number. The Democratic party made this Government and administered it from infancy up to manhood, and now, with its 7,000,000 voters, furnishes the only hope to the toiling millions and redress against unjust taxation and the tyranny of monopoly.

The principles of the Democratic party are the foundations upon which the Republic rests. Democracy is the vitalizing force of free government, embodying the only hope of the patriot and the oppressed of all nations, surviving all reverses, never the party of negation or mere resistance, a party for all the people. It is that form of political sentiment which establishes the self-government of communities and States; it is opposed to paternalism, and is the enemy of centralization of power in the hands of the few against the many.

So long as there is a constitutional form of government demanded, there will be a Democratic party. Internal dissensions or the assaults of its enemies can not destroy it, founded upon the principle of home rule, equal taxation, special privileges to none, separation of church and state, no proscription for conscience sake, equal and exact justice to all. No calamity can extinguish Democracy; no error of those temporarily intrusted with its leadership can destroy it, for it is immortal. After more than a century's trial in the great contest for civil and religious liberty and free government, it stands as the model of the world, stronger than ever before. Democracy cherishes the great principles that stand out as the beacon light of the highest civilization,



and will ever revere the name of Thomas Jefferson, whose mind grasped those great truths like an intellectual parliament and applied them to organized society.

Democracy took its stand by the Constitution at the inception of the Government, and has marched through the century as its chief defender. Democracy must cause it to be ever remembered that the doctrine of protection, as now sought to be enforced against the rights of the toiling millions, in this body must be met and crushed out or it will destroy the Republic; that no subsidy shall be given to any person; that class legislation is un-American and inconsistent with our theory of government; that they must learn that the people are capable of self-government, that it is the people's Government, not an office-holders' Government, and that the people are the fountain of all political power. McKinleyism must be treated as a crime against the laborer and the agriculturist; that the Government can not require any man to surrender any part of his earnings except for public purposes. The edicts and demands of monopoly and the protective scheme of plundering the honest toiling millions of this country must and will cease. [Applause on the Democratic side.]

### The Tariff.

### REMARKS

OF

HON. THETUS W. SIMS,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. SIMS said:

Mr. SPEAKER: I had not intended to attempt anything like extended remarks on this bill. It seemed useless. The rule brought in by the Committee on Rules and adopted by the House, limiting debate on this bill to ten days, made it clear that it was not intended that exhaustive debate was to be had, for such, under the rule, was impossible. I think, in reviewing the actions of others, that we should always credit them with sincerity; that we should understand them as they intend to be understood, and accept as real the motives alleged, unless the circumstances are such as to convince a reasonable mind that such is not the case. Now, I propose to discuss the action of the majority of this House in a spirit of fairness, and do not intend to try to arouse feeling by denunciation and abuse. I appeal only to the sober thought and reason of those who may hear these remarks, and if I do not sustain my position by logic, I do not expect anyone to agree with me.

We have been called together in extraordinary session by the President in order to enact such legislation as shall provide a sufficient revenue to run the Government. It is pointed out by the President, in his message to Congress, that the receipts of the Treasury are not equal to expenditures, and he asks Congress to enact such legislation as will prevent a further deficit in receipts.

Extraordinary sessions of any legislative body are never called except for purposes of emergency legislation. The emergency must first exist. It is alleged that there is a deficit in receipts; that is, that the Government is not collecting as much money as it is paying out. This is true. But does this fact alone warrant this attempt at emergency legislation? If it was reasonably certain that the receipts of the Government, including surplus funds now in the Treasury, would not be sufficient to run the Government until the regular session of Congress could deal with the deficit, then it would be proper to call Congress together in extraordinary session. But does such a state of facts confront us? On this, the 31st day of March, 1897, there is a surplus in the Treasury in round numbers, exclusive of the gold reserve, of \$120,000,000.

The deficit in receipts for the last three years, covering a period of the worst financial depression and panic in the history of the country, has not exceeded the sum of the surplus now on hand.

So it is clear that if times do not improve, and the receipts of the Treasury do not increase, that unless extravagant and unnecessary appropriations are made, there can be no actual deficit before 1900. Then where is that emergency that should always exist to justify this extraordinary session of Congress? This surplus money now in the Treasury can not lawfully be used in any other way than in the payment of the current expenses of the Government.

Mr. Speaker, it seems to me that in preparing revenue legislation, with the conditions now confronting us, it is our duty to so shape such legislation that there will not be any increase in the revenues of the Government for the next two years. We should

give time for the use of this hoarded surplus without increasing the burdens of the people by unnecessary increase in taxation. It seems to me that if there was no other cause operating in the President's mind than the one assigned in his message, that no extra session of Congress should have been called, and that at the regular session of Congress next December it would have been the patriotic duty of the President in his message to Congress to have called our attention to the fact that there was a large surplus in the Treasury that could not be applied under the law to any other purpose than the payment of the current expenses of the Government and urging Congress not to increase the taxes on the people until this fund was exhausted. [Applause.]

I know it is urged that the surplus in the Treasury resulted from the sale of bonds, and is a borrowed surplus, on which we are now paying interest. All this is true, I grant you. But to my mind so much the stronger is the reason for using this surplus in the payment of current expenses, instead of increasing the taxes on the people. I do not care how the money got into the Treasury, just so it is in there. It is our duty to get it out before undertaking to get more in by increased taxation. Mr. DINGLEY estimates that if imports for the next fiscal year shall remain as large as they have been in the last the increase in the Government's receipts will amount under this bill to \$113,000,000. This bill is intended to take effect the 1st of May, 1897, as appears on its face, but by the amendment now under discussion it is to take effect tomorrow, the 1st of April. Then, by the operation of this bill, we must add \$113,000,000 to the \$120,000,000 surplus now in hand, less \$40,000,000 estimated deficit in receipts, and by the 1st of July, 1898, we will have a surplus in the Treasury over and above the gold reserve of \$193,000,000. It is very natural that imports for 1898-99 will exceed the imports of 1897-98. But let us suppose that there will be no addition to our imports. There will be a surplus in the Treasury at the end of the fiscal year 1900 over the gold reserve of not less than \$300,000,000. There is no way to prevent such results if this bill increases revenue as claimed by its author, except by extravagant and unwise appropriations, or to buy in our bonds, as was done by Mr. Cleveland and Mr. Harrison. It is plain to the simplest mind that this bill in its operation must lock up in the Treasury in a short while over \$400,000,000 of the circulating medium of the country, already insufficient to do the business of the country on a safe cash basis. Thus will be accomplished the natural, germane, and intended purposes of the framers of this bill. By this bill they will enable the American manufacturer to control the American market and sell his wares to our own people at an artificially enhanced price, and at the same time needlessly lock up the money of the people in the vaults of the Treasury, and enable the money changers on Wall street to corner the circulating medium or inflate it, just as it may appear most profitable to them.

Results which usually and naturally follow an act are presumed to have been intended by the party committing the act. Therefore we must conclude that the framers and supporters of this bill intend that the consumers of American manufactured goods must pay more for them than they do now under the operation of this bill, and have less money with which to pay.

Mr. Speaker, it must have been evident to the framers of this bill that full, fair, and free discussion would result in its defeat, or else they would not have insisted on rushing it through this House with a speed not usual for emergency measures even in time of war. If the reasons put forward by the President were the real causes prompting him to call this extraordinary session of Congress, the more the alleged causes are discussed the stronger and more cogent they would appear; but, on the other hand, if the alleged causes for the calling of Congress together are not the real grounds for such action, the more the measure is discussed the more will this be made to appear. This bill, as introduced, provides that it shall take effect May 1, 1897, and I have not heard a single Republican, in this Chamber or on the outside, express the slightest doubt of this measure being enacted into a law by the 1st day of July, 1897. I ask you, gentlemen on the other side, if it is possible, by any condition that can possibly arise, that there will be an actual deficit in the Treasury by July 1, 1897? Is it not further a fact that the receipts of the Treasury are daily increasing over expenditures? However much importations may be cut down by this bill, is it possible, with the surplus now on hand, that a deficit in the Treasury can arise by July 1, 1898? Then I ask you why you have brought in this retroactive amendment? Why do you seek to make this bill operative from and after to-morrow? As it is plain to the comprehension of the dullest mind that there is no urgent public necessity requiring that this bill shall take effect from to-morrow, we must look elsewhere for the true motives prompting this attempt on the part of the majority to pass an unconstitutional and void law.

It is unnecessary to argue the unconstitutionality of the proposed amendment. The amendment will be absolutely void on the plainest and most familiar grounds. But void and unconstitutional as this amendment is, it will serve the purposes in part of

the protected manufacturers who have demanded it. It will at least retard and hinder importation. The professed object of this bill is to increase revenue. Revenue can not be collected for the Government unless imports continue. The object of this retroactive amendment is to retard imports, and in this way reduce the revenues of which it is claimed the Government stands in so much and such urgent need. Thus we are confronted with the spectacle of a bill being brought in by the Republican party to increase revenue and so amended as to prevent the very object for which it is pretended that it was introduced.

The protected manufacturers and money sharks who furnished the money with which the late Republican campaign was conducted have appealed to their own whom they purchased with their money, and have demanded such legislation as will enable them to recoup their losses sustained by way of campaign contributions in the late election, and to further increase and swell their large private fortunes by enabling those manufacturers to pocket an unnatural and unholy profit on all they sell to American consumers, and to further enrich the money kings by locking up the people's money in the Treasury and making it the more easy for them to create panic or plethora as their exigencies may require.

In 1890, when receipts were exceeding expenditures and the surplus was increasing, the protected monopolists of the country were not satisfied with the then existing high protective tariff, and desiring some pretext or excuse other than the true object in view, they had a bill introduced and passed, ever since called the McKinley bill, increasing the taxes on imports. They did not call it by any name that would indicate the real character of the bill, but it was introduced and supported as a bill to reduce the revenues of the Government. They then expected to reduce receipts by increasing the rate of duty, arguing that it would decrease importations, and thus reduce the revenues of the Government. The patriotic purpose of reducing receipts, and thus preventing an unnecessary and harmful accumulation of the people's money in the Treasury, was to be brought about by increasing duties. These protectionists always give their measure such a name as will tend to popularize it at the time it is sought to be passed. The unnecessary surplus in the Treasury in 1890 was the pretended excuse for increasing taxes by the McKinley bill. Now, while we have an actual surplus in the Treasury, but a deficit in current receipts caused by the Supreme Court decision in the income-tax cases, these same protectionists, with the same old selfish motive, rush to Congress and ask us to restore the rates of taxation as they existed under the McKinley law in order to prevent a deficit, and to popularize their measure they call it a bill to increase the revenues. Introduced in 1890 to decrease Government receipts and prevent a surplus, and now reintroduced in 1897 to increase Government receipts and create a surplus!

How can any reasoning mind accept such hollow pretenses as candid and honest? The Dingley bill is but the resurrection of the old McKinley bill, introduced in 1890 as a revenue reducer, now as a revenue producer; then to prevent a surplus, now to create one. Such is the beauty, consistency, and strength of the Republican position. While the platform of the Republican party in the last campaign declared for protection in general terms, it was not the issue on which the election turned, and it was not so treated by them in the canvass. The burning, paramount, and decisive issue was the financial question. Why did not the Republican party prove the boldness they claim and assume the initiative in financial legislation? Do the Republicans believe for a moment that they carried New York, New Jersey, Connecticut, Indiana, Kentucky, and Maryland by reason of their being in favor of protection? Do they believe for a moment that they lost the States of Colorado, Kansas, Nebraska, Idaho, Utah, Wyoming, and Nevada by any feeling against protection in those States? As those States were decisive of the result in the last election, and as neither of those States was won or lost on the issue of protection, how can the result be claimed as a protection victory?

The other side of this Chamber realizes the fact that there is absolutely no hope of international bimetalism, which they, in their platforms, promised to promote. They are too wise to make any attempt in that direction and thus openly demonstrate their inability to deal with the question, and instead of immediate financial legislation along the lines of Republican promises we are to have a monetary commission, composed of nonpartisan experts, to whom all financial relief measures are to be referred. This is all that will be attempted by the present Administration in this direction. We all know what a monetary commission means. It means that the Republican party do not in good faith intend to do anything to give us that financial relief they were ever so ready to admit that we so much need, and have a monetary commission as an excuse for their failure.

Mr. Speaker, the truth is that the gold-standard members of the Republican party do not want bimetalism of any kind or character. All they want is to have the greenbacks retired by virtually converting them into interest-bearing Government bonds and the

powers of national banks increased. This is all they want, and is all they will permit. They forced the word "gold" into your platform, and they intend to force it into the statutes of this country. It will not do not to at least appear to legislate on the financial question, and a monetary commission is intended to be put off on the country as a fulfillment of Republican promises.

Some of the ablest members of the Republican party in the past have advocated the establishment of a permanent tariff commission, to be composed of experts, to whom all tariff legislation should be referred. Why is not this as good a time as we will probably ever have for such an experiment? We have a surplus in the Treasury sufficient to run the Government for three years. A bill could be passed at this extra session creating the commission. The same could be appointed immediately, and they could make their report in ample time for a bill along the lines of their report to be enacted into law by July 1, 1898. Why is not a tariff commission as good as a monetary commission? If one requires expert knowledge, so does the other. If one can be better dealt with by a nonpartisan board of experts, so can the other.

There is not a single reason that can be given in support of a monetary commission that does not apply with equal or greater force in favor of a tariff commission. Why, then, shall we not have one to go along with the proposed monetary commission? Simply for the reason that the protected interests do not want it. It would prove to be too much of a roundabout way for the protectionist to get his hands still deeper down into the pockets of the people. But a commission is good enough for the millions who are kept idle and suffering on account of an insufficient supply of money with which to do the business of the country.

I do not favor a tariff commission, but think if the money question is to be dealt with in this way, that, to be consistent, the tariff question ought to take the same course. It certainly is reasonable to assume that if the representatives of the people are competent to frame a tariff bill in ten days, without the aid or assistance of a tariff commission, they are competent to take up the financial question without a commission, and at least make a reasonable effort to give the country some financial relief, even if it is along Republican lines.

I have no doubt that if those interested in maintaining the present gold standard of value, who so kindly furnished both votes and money to elect the present Administration, had made a demand that certain financial legislation should be enacted speedily, there would have been sufficient reasons suggested to support the President in urging Congress to act promptly in giving the country the character of legislation demanded. But these gentlemen are willing to let things remain in statu quo. They had "rather endure the evils they have than fly to those they know not of." They are afraid for even a passive attempt at financial legislation to be made.

The rule adopted for the consideration of this bill permits committee amendments to be made anywhere, whether the particular schedule or paragraph has been reached or not, while no one not a member of the majority of the committee is permitted to offer amendments except to the paragraph when it is regularly reached and read.

It was well known that the sugar schedule, the woolen-goods schedule, and all schedules covering things controlled by trusts would not be reached before the hour set for a vote on the passage of the bill. An amendment has been offered making any article free of duty when it shall be made to appear to the Secretary of the Treasury that such article is controlled by a trust in this country, and a point of order was made and sustained by the Chair on the ground that we had not reached the free list in the reading of the bill by paragraphs. We then offered to make almost any kind of an agreement as to passing over the other schedules if they would permit us to offer just one amendment to the sugar schedule, so as to eliminate that part of the schedule favorable to the sugar trust, and this request was refused. It has been made plain beyond dispute that powerful special interests, who are to make millions of dollars by its passage, are behind this bill and urging it through without any material amendment or time to show up the real objects of the bill. It is to be hoped that the Senate, not being fettered by ironbound rules, will give this bill that thorough and full consideration that it demands, and that it will be so amended that its authors, the trusts and special interests, will not recognize it when it comes back here. The representatives of the people on this floor who are opposed to this most iniquitous measure are absolutely powerless. But we believe the day of reckoning will come. We believe that if this bill becomes a law substantially as it will pass this House, there will hardly be enough Republicans left in this House after the next election to demand the yeas and nays. The people have felt the benefit of lower prices of manufactured goods, and they are not going to submit tamely to any legislation that will largely increase the price of all they consume, with no corresponding increase in the purchasing power of the products of labor. [Applause.]



## The Tariff.

## SPEECH

OF

HON. W. D. VINCENT,

OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 30, 1897,

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. VINCENT said:

Mr. CHAIRMAN: Since this bill has been under consideration I have been highly entertained and instructed. If there is anything that is calculated to excite and instruct the human mind, it is a discussion of the tariff question. It is easy to account for this, because it is a new issue, up to date in every particular, and warranted never to wear out, rip, ravel, or run down at the heel.

Some one has said that when Gabriel blows his horn there will be three men who will not hear it. They will be standing on the post-office steps discussing the tariff question. One will be advocating high protection, another a tariff for revenue only, while the third will be clamoring for free trade.

It is quite probable that when that awful day comes there will be three men in this Chamber (I hope the number will not be greater) who will be pawing the air in a desperate attempt to settle the dispute as to whether the foreigner pays the tax.

Mr. Chairman, I do not pretend to say that there is no importance connected with tariff legislation, but as compared with other questions that are pressing for settlement, it sinks into insignificance. These never-ending discussions by the Congress of the United States have cost the people more money than they have ever received or ever will receive as a result of tariff legislation.

Soon after the adoption of the Federal Constitution Congress commenced to discuss this subject, and it has wasted a large portion of its time ever since in a wordy and futile warfare over the same issue. The same old speeches have been made and will continue to be made so long as the people are foolish enough to permit the politicians to divert their attention from the causes that are oppressing them. The same old statistics have been arrayed year in and year out; the same old platitudes presented and the same old programme carried out, with only slight deviation in details. It is a chronic issue—a sham battle, which would be amusing if it were not for the distress and suffering that prevails all over this country. And speaking of distress reminds me that our friends on the other side of this Chamber—the Republicans—are the most scientific and vociferous calamity howlers I have ever heard. From the very beginning of this discussion there has been one continuous tale of woe regarding the evil effects of the Wilson bill. A great deal has been said in the West about "calamity-howling Populists," but you gentlemen can give us Kansas Populists pointers in the art of calamity howling. Oh, no; I have no objections to being called a calamity howler. A man who will not howl when he is hurt deserves to be hurt. The industrial classes have been oppressed, and I thank God that some of them have sense enough to howl. You have been making the calamity, and now it seems we are all doing the howling.

Mr. Chairman, there has been no exaggeration of existing evils. Every man who has spoken upon this floor has admitted the deplorable condition of business and the paralysis of trade.

The Republicans have united in one common chorus about closed mills and factories, idle men and women, soup houses and starvation. But you have not overdrawn the picture. You have only described conditions which are known to exist all over this fair land. But I want to remind you that four years ago you sang this same song; but you did not attribute the distress to the Wilson "free-trade" law then, for there was no such law. We were living under the McKinley law. You said then that it was the buying and coining of silver that was causing the trouble. Oh, you can not deny it, for the RECORD is full of it, and the very gentlemen who are to-day leading the fight for higher taxes upon the people for the benefit of trusts were then clamoring for the gold standard and "honest" money. "Deliver us from the dangers of a depreciated currency," you said, "and prosperity will come again." You repealed the purchasing clause of the Sherman Act and brought us to a gold basis. Did prosperity come with it? Not by any means. Conditions continued to grow worse instead of better, and then you said it was a "lack of confidence." And I want to say to you that, unless I mistake the temper and intelligence of the American voters, a large number of you who are responsible for this Dingley bill, if it ever becomes a law, will find

the worst case of lost confidence among your constituents that you ever had to contend with. One of the distinguished members of the Ways and Means Committee campaigned in my State last year. He was distressingly "long" on confidence at that time. He told us that within twenty minutes after it was known that Mr. McKinley was elected farm products would double in price, and prosperity would be at hand. Now we are told that it is going to take time, and that we must not expect too much the first week or two.

Yes, it is true, as you say, that the people voted for Mr. McKinley, the high priest of high tariff. At least their votes were recorded for him, and I believe they should have what they vote for. They have had a gold-standard "object lesson," now let them have a high-tariff "object lesson." I hope the pending measure will pass, though I will not insult my constituents by voting for it. I have the honor to represent a constituency that has outgrown this horse-play of quarreling over a nickel while the dollar is being filched from them, and I am proud of it. When this bill reaches the Senate, I hope no Populist will attempt to obstruct its passage. Let the Republicans pass it; I am perfectly willing they shall have all the glory they can get out of it. This is their remedy for hard times. Not long ago it was "honest" money, now it is high tariff. When you get this law your remedies will have been exhausted. You offer nothing else, and if it fails, as fail it must, you will be held responsible by a long-suffering people. You will not be able to shift the responsibility upon some other party. Of course you will manufacture some sort of an excuse. But you have the President; you have the Congress; you have the Supreme Court; you have what you call "restored confidence," and when you get your tariff law you will no longer be able to make intelligent people believe that you are not responsible for the appalling conditions you have dwelt upon so eloquently in this debate.

I have no faith in your remedies. One of them is proving to be a failure every day, and you admit it when you talk about the closed mills, idle workmen, and soup houses. The other will prove to be equally futile. Your gold basis has given us what you call an "honest" dollar; that is to say, a dollar that will buy more than it ever would before, and its purchasing power is increasing from day to day. In other words, the price of nearly everything is going down, except those products that are controlled by trusts and combines. Your proposition is to increase the taxes, while you make the dollar with which taxes must be paid harder to get. I do not know how it is in those districts represented by the champions of this measure, but in my district you would find it uphill work trying to convince voters that it is easier to pay \$25 of taxes with 10-cent corn than it is to pay \$30 of taxes with 15-cent corn. They are not sufficiently educated in this back-action, Grover Sherman-John Cleveland political economy to accept such a proposition. But when the distinguished gentleman from Massachusetts [Mr. WALKER] finishes his self-imposed task of sawing into the heads of the Democratic members on this floor and injecting economic "truths," perhaps he will be kind enough to extend his labors to the Western farmers. Until he does that, they are not likely to again fall in with this beautiful doctrine which leads to higher taxes and lower prices.

The gentleman from Pennsylvania [Mr. BRUMM] reminds us that as advocates of free silver and currency reform we are demanding higher prices, and as protection results in higher prices we ought to be in favor of this measure. Protection, Mr. Chairman, makes higher prices for the things protected, but those things produced by the great majority of the people are not protected by this bill, and never can be protected by tariff legislation. If it were possible to protect everybody and the products of everybody's labor alike, there could be no objection to it, except that the making and the execution of such a law would be a waste of time. My friend from Mississippi [Mr. WILLIAMS] expressed this idea better than I can when he said:

The moment a tariff ceases to be class legislation and becomes universal in its attempt to confer benefits, then it ceases to be of any benefit to any class. Then it amounts merely to a system of taxing one dollar from John and Peter in order that Paul may be profited thereby, while you tax Paul and Peter in order that John may be profited, and tax Paul and John that Peter may profit thereby.

The result is that each man comes out just as he started in. They have simply wasted their time "swapping" dollars. It would be unjust to stop when you have taxed John and Paul for the benefit of Peter; but that is precisely what you are doing when you impose a tariff tax. You are taxing the many for the benefit of the few. You are not taxing all for the benefit of all. It does raise the price of what we must buy, but it does not increase the price of what we have to sell. We do not believe that high prices should be confined exclusively to the other fellow's products, especially when you compel us to buy of him. You give him a monopoly of our trade by shutting out foreign competition. We do not want high prices for the sole privilege of being permitted to pay more for what we buy. We have that privilege now. What we want is higher prices for all the products of labor, and

the only way to get this is to increase the volume of money, which is the pricemaker.

Mr. Chairman, the title of this bill ought to be amended so as to read: "A bill to compel nine-tenths of the people of the United States to buy in the highest market and sell in the lowest." Such a title would be no exaggeration whatever. The Western farmer must compete with all the world when he sells the product of his toil. The day laborer must compete with the pauper labor of all nations, because there is no tariff on men. But when these same men go out to buy, your tariff law confines them to the home market. They must deal with the protected manufacturer or not at all. It is true in this bill you have placed a tariff upon wheat and corn and a number of other agricultural products, but you know this is only done for campaign purposes. The farmer who can be caught with such chaff has not sense enough to haul his grain to the nearest market. The absurdity of pretending to help the farmer by placing a tariff upon those products which we export every year, and never import, except for seed, is too ridiculous for a moment's serious consideration. It is an insult to every intelligent farmer in this country. Senator Plumb used to be considered very good authority in the American Congress. His Republicanism was never called in question. He was not a free trader. This is what he said on the floor of the Senate during a session of the Forty-seventh Congress:

Mr. President, I am willing, so far as I am concerned, as representing an agricultural people, to say that if there shall be a general reduction of 20 per cent all around, or an equivalent reduction upon manufactured articles, the agriculturists of Kansas at least will be perfectly willing to forego the 20 per cent protection upon their wheat. In fact, their protection amounts to nothing. The wheat of Kansas goes abroad in competition with the wheat of Russia and with the wheat of India, competing in the great wheat market of the world, Liverpool, and finding there no protection and no advantage growing out of the assumed protection which is given to it by the tariff laws of the United States.

Practically speaking, the tariff is put upon wheat, upon corn, and upon various other agricultural products as a disguise, simply to make the agricultural people of the United States believe that the tariff by its terms protects them while protecting the manufacturing interests of the country. Such is not the case.

We have got to consider all the people of the United States when we consider this question of the tariff. We ought to consider the men who raise the grain. We do not do it except in an indirect way. The tariff upon wheat and upon various agricultural products is not protection. No farmer ever asked for it; no farmer ever received one single dime on account of it.

Now, Mr. Chairman, the Committee on Ways and Means have placed a duty upon potatoes. I suppose this was done to protect the coal miners, for it was not very long ago, according to newspaper reports, that the farmers in some parts of New York were drying potatoes and burning them for fuel; and I want to remind you right here that at that very time thousands of people in every large city in the East were starving for something to eat. Perhaps this "protection" of 25 cents a bushel will keep out foreign potatoes, if there should happen to be a shortage in the crop, so that the farmers of New York will be compelled to buy American coal instead of burning imported potatoes.

But if there is anything that is calculated to cause the farmers of the West to grow proud and haughty, it is this tax of \$1.50 upon straw. If that does not revive the drooping industries and put the idle men to work, I do not know what will. And just think of the immense tax this will impose upon the foreigner! Why not make it \$2 a ton while we are about it, and give the foreigner lessons in scientific taxation? While we are taxing him, let us get enough to go round. I fancy I can see the farmers of my district now clothed in smiles and toothpick shoes and clawhammer coats in anticipation of the blessings that will surround them when they are no longer afflicted with the dangers of competition with imported straw. There is no doubt that the agricultural classes will wear diamonds when they get a duty on straw.

Mr. Chairman, there have been some important facts brought out by gentlemen on both sides since this bill has been under discussion. The Democrats have told us that the country was going to ruin under the operation of the McKinley law. The Republicans have told us that starvation and want have stalked abroad in the land since the Wilson bill was enacted. They have both told the truth. On this side it is predicted that if this bill is passed, the nation will continue on the downward road to perdition, while you gentlemen on that side unite in proclaiming that conditions will grow worse if it is not done. You are both right. Unless you do something contrary to what you have been doing for the past twenty years or more, the people will never get relief. You have been quarreling over this question from the foundation of the Government down to the present hour, and the final solution appears to be as far in the future as it was in the beginning. You have wasted enough wind already in this debate to run a Kansas windmill forty days and forty nights, but paraphrasing the good old song—

You've no less days to sing God's praise  
Than when you first began.

Up to the beginning of the last campaign, when the Democrats had the courage and patriotism to nominate that grand young

American statesman, William J. Bryan, and place him upon a platform of Jeffersonian principles, the two old parties have been fighting over a bone without any meat on it. One wanted the tariff just a little lower than the other desired to have it, if they could find out what that was, which they generally could not; and the other party wanted it a little higher than the opposition, and just how high that was was always a matter of conjecture. I have sometimes thought that when it came to injecting false issues into a campaign, each one of these political parties was a little worse than the other.

Now, I submit, Mr. Chairman, that it is neither high tariff nor low tariff that has brought upon the country the starvation, bankruptcy, and commercial ruin we have heard so much about during the past few days. Why, sir, it is a surprise to me how men can have the assurance to stand upon this floor and say that all these troubles came upon us since the enactment of the Wilson bill. Is it possible that your memories are so short? Do you not know that while such talk as that may be believed by the more ignorant of those who read the CONGRESSIONAL RECORD, it will tend to disgust and drive away the honest, well-informed men of your party?

The gentleman from Illinois [Mr. HOPKINS] dwelt most eloquently upon the wonderful prosperity that prevailed under the Harrison Administration. Among other things, he said:

It is the industrial policy of the Republican party that has wrought such splendid results as I have here but faintly described. It was the overthrow of that policy in the great Presidential election of 1892 that brought distress and want upon labor and an almost perfect paralysis of all our great manufacturing and business interests.

He further says, referring to the McKinley bill:

It was under this law, Mr. Chairman, and a Republican Administration that our industrial and commercial prosperity reached high-water mark.

Almost every member upon that side of the Chamber who has attempted to discuss this bill has given expression to similar statements, one gentleman going so far as to say that the people "never knew they were in distress until the election of 1892 made the repeal of the McKinley law a certainty."

It will strike the average citizen as something most remarkable that this "golden period of our national existence" was all at once knocked into a cocked hat, to use a homely expression, because the American people decided that they would employ a Chief Executive and a Congress that was not labeled "Republican." How strange that millions of farmers, mechanics, and other laborers who had been prospering and accumulating wealth so rapidly for twenty years under the benign influence and paternal care of this glorious policy of Republican protection should suddenly wake up to find themselves paupers and tramps. Strange that they should go to bed with plenty of money, surrounded with all the comforts and luxuries of life, and get up the next morning only to find that they must depend upon charity and soup houses for subsistence; and all because of the success of a political party that a majority of the voters had expressed confidence in. It has been said that a falsehood could be repeated so often that in time the author himself would think it was the truth. Having had no experience, I am unable to say whether this is correct or not, but I have wondered if it were possible that the mythical story about the halcyon days of McKinleyism, when all the workingmen in this country rolled in luxury and feasted upon milk and honey, had been repeated so often and so eloquently in the late campaign by the gentlemen on the other side that they had persuaded themselves to give it the stamp of unadulterated, simon-pure, gospel veracity.

Upon no other theory am I able to account for the rash manner in which they wantonly defy one or more of the Ten Commandments. Have you forgotten the 8,116 strikes and 546 lockouts of 1891? These took place during Mr. Harrison's Administration, while the McKinley law was in operation and long before it was even known that Grover Cleveland would again be the Democratic nominee. Have you so soon forgotten the "protected" American laborers who were cruelly shot down by the Pinkerton hirelings at Homestead in 1892, under the McKinley tariff and a Republican Administration? This occurred almost six months before the Democratic victory in November of that year, and about ten months before the Democratic party took the reins of Government. Have you forgotten that troops were called out in nine States and Territories to shoot down workingmen during that same year? Have you forgotten that in different sections of the country—east, west, north, and south—there was practically a state of civil war? But the gentleman from Pennsylvania [Mr. BUTLER] wants to know if there are not always more strikes in good times than in hard times. His question carries with it its own answer.

Other men upon this floor have tried to explain away the labor troubles and bloodshedding under the reign of Republicanism.

It is not true that men strike against high wages and prosperous



conditions. Such an insinuation is an insult not only to the members of this House, but to the intelligence of every laboring man and every labor organization in America. The men at Homestead were not striking for higher wages; they were striking against a reduction in wages. I want to call your attention to another fact in connection with strikes. You tried to make us believe then, as you are trying to make us believe now, that good times prevailed everywhere, and that every man who wanted work could get it at good wages. Is it not a fact that during the progress of every great strike you complained, and the employers complained, perhaps justly, that those who had quit work refused to permit other men to take their places? This fact was always made prominent by the great daily papers of the country to prejudice public sentiment against the strikers. You said the men had a right to quit work—though the courts have since attempted to deny them this right—but they had no right, you said, to refuse to let other men work. You said there were three or four men ready and anxious to take the place of each striker, but were forcibly restrained from doing so. Every well-informed person in the nation knows that this was what you said.

Now, what I would like to know is this: If everybody had employment at good wages, what were these three or four men doing when the strikers quit work? Is not the very fact that they were ready to take the strikers' places at the risk of their own lives sufficient evidence that they were out of employment and desperately anxious to earn a living for themselves and those depending upon them? These are simple facts of history, and not very ancient history either.

It is well known that the failure of almost every strike has been due to the army of unemployed men which has been increasing from year to year for the past generation. The very conditions which cause the strikes are taken advantage of and used as a means for their defeat. Is it possible, Mr. Chairman, that it is a knowledge of this fact which has prompted so many "friends of American labor" to persistently agitate the tariff question and with equal stubbornness continually refuse to enact laws that will change the conditions? I must confess that the circumstantial evidence leads to such a conclusion.

Now, I wish to call attention briefly to a few other important facts of history in connection with the good old Republican days of protection and prosperity—how William McKinley, who is not unknown to fame, made a report to this House in 1890, with the introduction of his famous tariff bill, in which he said:

That there is widespread depression in this country can not be doubted.

And again, in the same report, he said:

One of the chief complaints now prevalent among the farmers is that they can get no price at all commensurate to the labor and capital invested in their production.

Remember that this was in 1890, after thirty years of protection and under a tariff law made by the Republicans. Mr. Harrison was President, and a Presidential election was two years off in either direction. It was Mr. McKinley, not a free-trade Democrat, who said there was widespread depression. Did he tell the truth, or was he ignorant of the conditions? Either there was widespread depression or Mr. McKinley was guilty of uttering a falsehood. I leave it to the gentlemen over there to settle it between themselves and the President. Under the rules, I suppose it might be referred to the Committee on Ways and Means.

In 1889 Mr. Fassett, the Republican labor commissioner of Ohio under Governor Foraker, in his annual report says:

The number of willing workers out of employment is fully equal to 15 per cent of the whole number of laborers.

The fact that thousands of pairs of pants are being made daily at the rate of 16 cents per pair, and overalls at 4 and 5 cents, has become too well known to admit of doubt or denial.

About the same time Mr. Carroll D. Wright, Commissioner of the United States Bureau of Labor Statistics, said fully one and one-half million wage earners were out of employment in the United States. These quotations are from official reports made by Republicans and published while that party had the President and a majority in both Houses of Congress.

Now, Mr. Chairman, I desire to call attention to a little more Republican authority. If I fail to prove that the advocates of high taxes on this floor have very short memories, I shall certainly succeed in establishing the fact that some of their leaders whom they have elevated to the highest places are the most superlative prevaricators this side of the home precinct of Ananias. I want to read to you what Senator Ingalls said on the Senate floor January 14, 1891. I know you have heard this many times, but it will do you good to hear it again. There was no better authority in the Republican party at the time he made this speech, and he is one of the most brilliant statesmen you ever had. Your party gave him the stamp of approval by keeping him in the Senate six-

teen years, during part of which time he was the President of the Senate and virtually Vice-President of the United States. Here is what your great leader had to say about the "golden period of our nation's prosperity" under the McKinley law:

Four hundred persons possess \$10,000,000 each, 1,000 possess \$5,000,000 each, 2,000 possess \$2,000,000 each, 6,000 people \$1,000,000 each, making a total of 21,000 people who possess \$96,250,000,000.

Mr. President, it is the most appalling statement that ever fell upon mortal ears.

The entire industry of this country is passing under the control of organized and confederated capital. More than fifty of the necessities of life today, without which the cabin of the farmer and the miner can not be lighted or his children fed or clothed, have passed absolutely under the control of syndicates and trusts and corporations composed of speculators, and by means of these combinations and confederations competition is destroyed, small dealings are rendered impossible, competence can no longer be acquired; for it is superfluous and unnecessary to say that if under a system where the accumulations distributed per capita would be less than \$1,000, 31,000 persons obtained possession of more than half of the accumulated wealth of the country, it is impossible that others should have a competence or an independence. So it happens, Mr. President, that our society is becoming rapidly stratified, almost hopelessly stratified, into a condition of superfluously rich and helplessly poor. We are accustomed to speak of this as the land of the free and the home of the brave. It will soon be the home of the rich and the land of the slave.

Lockouts and strikes and labor difficulties have become practically the normal condition of our system, and it is estimated that during the year that is just closed, in consequence of these disorders, in consequence of this hostility and this warfare, the actual loss in labor, in wages, in the destruction of perishable commodities by the interruption of railroad traffic, has not been less than \$300,000,000.

A financial system under which more than one-half of the enormous wealth of the country, derived from the bounty of nature and the labor of all, is owned by a little more than 30,000 people, while 1,000,000 American citizens, able and willing to toil, are homeless tramps, starving for bread, requires adjustment. A social system which offers to tender, virtuous, and independent women the alternative between prostitution and suicide as an escape from beggary is organized crime, for which some day unrelenting justice will demand atonement and explanation. Mr. President, the man who loves his country and who studies her history will search in vain for any national cause for this appalling condition. The earth has not forgotten to yield her increase. There has been no general failure of harvests. We have had benignant skies and the early and late rain. Neither famine nor pestilence has decimated our population nor wasted its energies. Immigration is flowing in from every land, and we are in the lusty prime of national youth and strength, with unexampled resources and every stimulus to their development; but, sir, the great body of the American people are engaged to-day in studying these problems that I have suggested in this morning hour. They are disheartened with misfortune.

Mr. Chairman, the great speech from which I make these quotations was delivered during President Harrison's Administration, when you had a majority in both Houses, and three years before the enactment of the Wilson bill. Was it Democratic free trade that caused the great body of the American people to be disheartened with misfortune? Was that the reason why 1,000,000 American citizens, able and willing to toil, were homeless tramps, starving for bread? Why, sir, I could go on and read for the next five hours from the very best Republican sources in proof of the appalling conditions that prevailed in this country under the McKinley tariff law, but it is not necessary. Enough has been said to show that our misfortunes did not come upon us in one year nor as the result of one election.

The beginning dates back a generation. The discontent among the people was so great that they repudiated the Republican party in 1884 and elected Grover Cleveland in spite of the prejudices then existing against the Democratic party. Did the voters make this change because they were so prosperous? Not by any means. But the change brought but little, if any, improvement. Times continued to grow worse. At the end of four years the voters were still dissatisfied, and they elected Mr. Harrison. They wanted another "change," and they got it—a change of postmasters; but otherwise there was little difference. The result was more strikes, more failures, more starvation—in other words, more calamity. One term of McKinleyism made them so desperate they were anxious to try four more years of Grover, and they elected Mr. Cleveland the second time. They remembered that they were more prosperous, or perhaps a better way to put it would be to say they were not quite so near the door of starvation under Cleveland's first Administration as they had been under President Harrison.

What was the result? Same old story. The patient continued to grow worse. He had the same disease, and he was still taking the same old medicine. He had changed doctors, but the prescription was just the same, except that the size of the doses was increased and they were administered more frequently. Last year the voters were reckless enough to do almost anything, as the result of the election proved, and they went back for the third time to the Republican party. They have been jumping from the frying pan into the fire and from the fire back into the frying pan for the past twelve years, trying to get relief. It is true they got what they voted for, but not what they thought they were voting for. Now, let them have four more years of high taxes and gold standard, if they want it. It is to be regretted, Mr. Chairman, that

the men who do not want it and did not vote for it must endure the evil results with those who are responsible.

I submit that these changes back and forth from one party to the other every four years show that the people were dissatisfied, and the very fact that they were dissatisfied is evidence that they were not prospering. Men will not vote against prosperity any more than they will strike against it, if they know what they are doing.

It was in 1890 that the People's Party became a factor in politics, not alone in one or two States, but in every State in the Union where the atmosphere is conducive to political independence, and where manhood and not money is the test of genuine Americanism and true citizenship. Then it was that the Farmers' Alliance sprang into existence. The People's Party was an organized protest against hard times. Its members broke away from the political associations of a lifetime because they found themselves growing poorer under the rule of the two old parties. In spite of their industry and economy, they saw their property reduced in value and going from them, while at the same time the number of millionaires was increasing. You called them "cranks" because they said the Government was making a few men rich and others poor by law. You said law had nothing to do with it, but I notice when you are discussing the tariff question law has everything to do with it.

You admitted the new party came into existence as a result of the people's misfortunes. You tried to make us believe the hard times were the result of natural causes, and said the agitation would cease in a short time, because the distress would not continue long. You said our party would die with the return of prosperity, for it could only be kept alive upon calamity. The country has been in a chronic state of calamity and panic ever since, and the People's Party still lives. We have more Representatives upon this floor than any third party has had before for thirty-five years. We have twice as many members in each House as we have ever had before. But the party would have died if prosperity had returned. Its mission was to bring prosperity, and if some other party had brought it there would have been nothing for it to live for. But good times did not come under the McKinley law; they did not come under the Wilson law, and they will not come under the Dingley law. There is cause for the distress and prevailing hardships, and they will continue until the cause is removed.

You can not remove it by making the tariff a little higher or a little lower. Direct taxation is the only just means of raising revenue, and if it is not constitutional, the Constitution should be amended. The people made the Constitution, and they can make a new one if they will.

But the most remarkable thing in connection with this discussion is the absence of any attempt on the part of the gentlemen who have control of legislation in this House to reduce the expenses of Government to correspond with existing conditions. You talk long and eloquently about the deficit. Increase of taxation is the only remedy you offer. We never hear anything about bringing the expenditures down to the receipts, but the continual cry is for bringing the receipts up to the expenditures. Why, Mr. Chairman, the members of this House had scarcely got warm in their seats when they appropriated about \$73,000,000 for different purposes. I doubt whether there were twenty men on this floor who had read the bills when they were voted upon, and there are probably not fifty members who know definitely at this time how, where, and for what purposes the money is to be paid out. There was no time given for investigation and less than three hours for debate. We did not hear much said about the dangers of a deficit in the Treasury while this was being done. When the farmer or the merchant complains of his inability to keep out of debt, you tell him to economize. "Cut down expenses; live within your income," is the advice you give him. I find there is a lamentable lack of "parity" between a Republican candidate's precept on the stump and his example in Congress.

Now, Mr. Chairman, as I said before, I want this bill to pass, but I am not going to be guilty of voting for such a measure. I want the Republicans to pass it. I want to see the Republican party break its neck, figuratively speaking, and I think the success of this measure will bring about the happy result. I want the people to have what they voted for. They need a little more experience. I agree with Mr. Cleveland and other distinguished Republicans in the efficacy of object lessons. One ounce of object lesson is worth fourteen pounds of logic with some people. If we must have the infliction, the sooner it comes the sooner we will recover from its evil effects. Four more years of the gold standard and low prices, with increased taxation as the only remedy, will dispel the charm that hovers about the word "protection," and the intelligent American voters will be ready to assert their political manhood and unite with a party that has dropped dead issues and worn-out hobbies—a party that believes in legislating for all the people alike, and not for the trusts at home and the money lords of this and other countries.

## The Tariff.

### SPEECH

OF

HON. JOHN M. ALLEN,

OF MISSISSIPPI.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. ALLEN said:

Mr. CHAIRMAN: Up to this time I have refrained from participation in this debate. The people of the United States all know my position on the subject of tariff taxation [laughter and applause], and I preferred to allow members of less prominence [laughter] to air their views rather than take the time of the committee myself. But the country does not seem to be satisfied with the character of the debate we have had [laughter], and I feel impelled to yield to the public demand and come from my modest retirement to the front in this discussion. [Laughter.]

Mr. Chairman, I was truly anxious for the reading of the bill to progress until we could have reached some of the schedules to which I wished to offer amendments I had prepared. I wanted to see members of the committee put to the test in voting on them. I have amendments to put cotton ties and cotton bagging on the free list and to strike out the differential duty on refined sugar, and I had the promise of recognition from the Chairman to offer them when those schedules should be reached. But it is now evident that none of them will be reached at all before we are required to vote; and it looks very much as if the majority of the Committee on Ways and Means never intended they should be reached, or that we should have any opportunity to amend or vote on them.

What did the Republicans on that committee do? They took about three months to prepare their bill, then brought it into the House; had a rule passed forcing the House to vote on it in ten days; gave about four and a half days of that time for the reading of the bill by sections for amendment; took up more than half of the time, under the privilege they had under the rule, in amending the bill themselves; and thus it is that with a bill covering 163 pages, with only 23 pages read for amendment, we must vote in an hour or two, with 140 pages of this important measure not reached, all our requests and appeals for an extension of time and for unanimous consent to turn to schedules we desired to amend having been refused by the Republican majority!

Mr. Chairman, the President, in his message, claims that the object in calling this extra session is to supply sufficient revenues to meet the expenses of the Government, and almost every Republican who has spoken in favor of the measure has commenced his speech with the same false pretense. Mark Twain, in one of his books, attempts to "take off" the cyclone liar, and to do so he gives a number of specimens of the most ridiculous stories imaginable as having been told by a group of artists in the field of cyclone lying, and every man began his lie with the statement that "there appeared in the west a cloud about the size of a man's hand." I have been reminded of this when I hear these tariff artists start their speeches with the false pretense that it is a deficiency in revenue they are wanting to cure. It is an increase in the revenues of the favored classes who vote the Republican ticket and put up money to run Republican campaigns you are working and voting for! It is to pay the political debts and subserve the interests of your favorites that is moving you.

Mr. Chairman, the Treasury statement shows an available cash balance of over \$223,000,000 in the Treasury to-day. Now, take from this amount the \$100,000,000 that you insist shall be held as the gold reserve, it still leaves \$123,000,000 of surplus available for the use of the Government. It is no answer to this proposition to say that this money is borrowed. That mischief has been done; it was borrowed with your approval, and it can not be returned to those from whom it was borrowed for many years to come, and we have no use for it now except to pay the expenses of the Government, and it would be much better to have it in circulation than lying idle in the vaults of the Treasury. But even if the Treasury were empty, this is no time and the country is in no condition to embark on an experiment of increasing taxes, especially on the articles of prime necessity to the great mass of the people.

True statesmanship would rather dictate the cutting down of the expenses of the Government to meet the revenues, instead of increasing the revenues to meet largely increased expenditures. While you prate about the distress prevailing in the country and the prostration of all business interests, and complain of a want of revenue, you have just closed the Fifty-fourth Congress, which



made the largest appropriations ever made by any Congress. You have exceeded in extravagance the extravagance of all Congresses of the past. I really believe that the expenses of this Government could be cut down, not only to meet the present revenues, but that they could be cut down much more than that without impairing at all the efficiency of the public service.

And, Mr. Chairman, I believe that the issue of extravagance is one that will have to be met in the near future. I do not believe the people will always submit to this system of piling up appropriations and squandering the public money, while they have to observe in all their transactions the most rigid economy, and even then can hardly make "buckle and tongue meet." I have myself proposed some measures for the curtailing of expenses, which, if adopted, would render any increase in the revenues unnecessary. But even if we admit the necessity for additional revenue, there are many better ways to raise it than are proposed by this bill. I have here a bill I prepared to increase the revenue tax on beer \$1 per barrel.

This would furnish revenue enough to make the expenses and the revenues of the Government meet, and this would only lessen the profits of the great brewers and beer sellers, who are amply able to stand it, and would be very little, if any, additional cost to the consumer.

Or a better plan still would be to pass an amendment to the Constitution, which I have prepared, to overcome the objections of the Supreme Court to an income tax, and we could raise \$100,000,000 more of revenue that way and never hurt anybody. But to raise revenue out of the rich and the corporate interests would not be in harmony with Republican methods. They levy taxes, not to be paid by those interests, but for their benefit.

Mr. Chairman, as my friend DOLLIVER and several other gentlemen on that side of the House have given some of the reasons why they favor this bill, I will give some reasons why I oppose it. I am opposed to it because, according to the showing made by the committee, it increases the taxes of the people far more than is necessary, and that, too, at a time when the people are least able to bear additional burdens, and it will raise more revenue than is needed if the statement of the committee is to be relied on. The committee estimates that it will add \$113,000,000 to the present revenues; and I am sure if it does that, that it will add \$500,000,000 in burdens on the consumers of the country. The Government will not get one dollar in four that will be exacted by the bill from the people. I am opposed to it in the second place, because it discriminates against the agricultural interests, and especially against the great cotton-raising section from which I come, and which I have the honor in part to represent on this floor. The transparent fraud intended to humbug the Western farmer by putting a high duty on wheat, oats, corn, straw, etc., is too flimsy a pretense to fool anybody. Let me show how the imports of wheat, corn, and oats compared with exports of those commodities last year:

	Imported.	Exported.
	<i>Bushels.</i>	<i>Bushels.</i>
Corn.....	4,338	101,100,375
Oats.....	47,506	13,012,509
Wheat.....	2,116,303	126,443,963

And most of that imported is for seed. With this showing, how can you hope to make the farmer believe that a protective tariff on these commodities can do him any good? The same comparison holds good as to nearly all the agricultural products claimed to be protected by this bill. The farmer does not fear the competition of foreigners in our markets. It is the competition they meet in foreign markets, where they are forced to go with their surplus products and where your tariff laws can not help them, that hurts.

There is more cotton imported into the United States than there is of any other agricultural product raised in this country. There was about five and a half million dollars' worth of long-staple Egyptian cotton imported last year that competes with our long-staple cotton; and if you had been in earnest about wanting to protect farmers you would have put a duty on cotton. But you refused to do that; you paid the Southern farmer the compliment to believe that you could not buy his vote for the Republican party with a duty on cotton, and, sure enough, you could not. [Applause on the Democratic side.]

Mr. Chairman, I have talked here so often for the cotton grower that I do not like to go over the same thing again. But permit me to say that this is one field of industry I know all about. The raising and gathering of a cotton crop requires, under the most favorable conditions, almost an entire year of labor and care, and brings comparatively little money for the work and pains bestowed on it. Usually the cotton planter has to encounter the disasters of either flood or drought, and sometimes both in the same year;

he has the late and early frosts, all sorts of insects that prey on the cotton plant, and the diseases to which the plant is subject, to contend against; and, notwithstanding all these difficulties, the cotton growers of the South have added more to our national wealth since the war than the raisers of any other agricultural product.

Last year we exported, after supplying the home demand, more than \$190,000,000 worth of cotton—more than one-third of all our agricultural exports. This country is more indebted to our exports of cotton for the balance of trade in our favor and for the gold it brings us from other countries than to any other commodity produced in the United States. I just mention these things to refresh your memories and call your attention to the fact that the farmers of the South who produce cotton are entitled to fair treatment at the hands of our Government. They do not expect the Federal Government, by any system of tariff taxation, to make their products higher, but they have the right to expect of the Government that it will not impose upon them any unnecessary burdens.

Now let me call your attention to some of the discriminating features of this bill. Binding twine that is used for binding the Western farmers' grain, where some of the farmers vote the Republican ticket, is put on the free list, so that the wheat grower is to have free binding twine to bind his wheat, but the Southern farmer, who votes the Democratic ticket, has ties and bagging, with which he binds his cotton, put on the dutiable list. I want some member of the majority on the Ways and Means Committee to attempt some explanation of this discrimination.

You gentlemen tell us that the tax makes these things cheaper.

Then why do you not tax binding twine to make it cheaper, too? No; you know that the tax makes it higher and you know you left binding twine on the free list because you were afraid of the Western farmer, and you tax cotton ties, cotton bagging, and cotton gins because you wanted to favor the interests that sell these things to the producers of cotton, and you did not think you could get their votes for the Republican party anyway. [Applause on the Democratic side.]

It has been contended here that bagging and ties were cheaper when they were on the dutiable list than when they were free. Now, I deny this, and I have here the figures. The average price of 2-pound bagging under the protection of the McKinley law from 1890 to 1894 in New York was 6½ cents; the average price when on the free list under the Wilson law from 1894 to 1897 was 5 cents, and the price of cotton ties was 77 cents per bundle in 1893 under the McKinley protection, and the first year under the Wilson bill, when they were put on the free list, they went down to 60 cents, and this year they went down to 50 cents and have advanced about 6 or 7 cents already in anticipation of the passage of the Dingley bill. It is true they got up a corner on ties in 1896 and put the price up. But foreign competition came to our rescue and broke the corner or trust, and they went down to less than half of what they were cornered at. That is the beauty of having a more extended market to draw from; you can still make corners, but you can not keep them.

This bill takes agricultural implements from the free list, where the Wilson bill put them, and taxes them about 40 per cent, and by this you will enable the manufacturer of agricultural implements to again do what they were doing when the Wilson bill was passed—ship their goods abroad to where they come in competition with foreign-made implements and sell them cheaper than they do here in our own country, thus discriminating against the American farmer.

And another objection I have to the passage of this bill is that it will be a blow at our agricultural interest, in that it will practically prohibit us from buying from our foreign customers who buy our products, and will, to that extent, render them unable to trade with us on as favorable terms as they otherwise could. I see that already some foreign governments are taking measures to retaliate on us. They say that if we can not buy from them we shall sell to them only when they are forced to buy from us, and that for our discrimination against them they will discriminate against us. The gentleman from Iowa [Mr. DOLLIVER] said the other day, in replying to a criticism that charged that in this bill we were "slapping England in the face," "that we were making this bill for Americans, and not for foreigners."

They talk very defiantly about the foreigners now, but last year, when we were insisting on establishing a financial policy for this country to conduct its own business, we were told by Mr. DOLLIVER and every other gold-standard advocate that we could not do it because England and the other commercial nations of the world had a different system, and that we must conform our system to theirs. I have always insisted that we could regulate our own financial policy, especially for the conduct of our domestic business. But England is our largest and best customer in trade.

I think those gentlemen place themselves in an inconsistent position who insist that we must conform our financial policy to that of England, but that we can "slap her in the face" in our trade

relations. It is not a good policy in trading to slap your customer in the face.

Mr. Chairman, another objection I have to this bill is that it is a regular propagating garden for trusts, combinations, and monopolies. As the gentleman from Kansas [Mr. SIMPSON] said the other day, trusts will grow out of this bill as naturally as toadstools grow out of a rotten log. I want to say to my nonpartisan friend from Ohio [General GROSVENOR] [laughter] and a number of other gentlemen on the Republican side of the House who have talked about how trusts and combinations have grown and flourished for the last four years under the operation of the Wilson bill, that that is no answer to the demand that we should in this bill put our hands on their throats and destroy them [applause on the Democratic side] and protect the people from their exactions. If they have flourished under some other bill, it is the greater reason why we should see that they do not flourish under this one. [Applause.]

No, gentlemen, the people of this country will not listen with patience to you when you plead as an excuse for your shortcomings what the Wilson bill did or failed to do. They will want some better reason for your failure to grapple the trust question, when you had an opportunity, than that they were flourishing under the operations of the Wilson bill. They will want to know why you did not crush them under the operations of the Dingley bill. [Applause.]

I have read this bill through in vain to find where you had taken some step to keep them from flourishing under it, and I find no effort made to obstruct them; but, on the contrary, every one of them is fostered and helped, and if they did not write many of these schedules themselves, they are written as much in their interest as if they had done so. Let it not be forgotten, Mr. Chairman, that the first proposition made by the Democrats when the reading of this bill was commenced for amendment was to incorporate an amendment that would deprive trusts of the benefit of the protective features of the bill; and then began the most remarkable exhibition of parliamentary quibbling and dodging that was ever witnessed in a parliamentary body. [Applause on the Democratic side.]

It was contended and ruled that that was not the time, and that the place in the bill where such an amendment would be appropriate had not been reached. But the trouble is we will never reach the time or the place for the Republican party to commence smashing trusts; it owes too much to the trusts to do that. [Applause on the Democratic side.]

Mr. Chairman, I wish to call the attention of the committee and the country to the fact that every proposition to legislate against the interests of trusts during the consideration of this bill has come from one side of the House and has been resisted by the Republicans, and that every such proposition has had the unanimous support of Democrats and Populists and the almost solid opposition of the Republicans [applause on the Democratic side]; and I call attention to the further fact that the only voice raised during this entire debate in favor of trusts has come from the Republican side. The only arguments made in this debate to show what a blessing trusts are came from that side. That is the voice and verdict of the Republican party. No Democrat or Populist has made any such contention.

Let me call attention to the effect of Republican victory last fall on the trusts. We all remember the contention of the supporters of McKinley—that his election would put new life in the country, that industry would revive, that the idle would find ready employment at remunerative wages, and that the fires of the closed factories would again light up the land. I had read yesterday when the green-bottle section was reached, an account of a meeting of the association of green-bottle manufacturers held in Philadelphia on the 12th of last November, within ten days after McKinley's election; and what did they agree to do?

Was it to give better wages to labor or more labor to the idle or cheaper goods to the consumer? No; they agreed to reduce production 25 per cent and advance prices 5 per cent. The result was less employment for labor and higher prices for bottles. I am not a manufacturer or consumer of green bottles [laughter], but let us see what this bill does for the green-bottle trust. It increases the duties on green bottles and gives this green-bottle combination more power to regulate production and prices than they had before.

This is a good illustration of many similar instances that might be given if time would permit. But I call attention to one other trust. We have been very anxious to reach the sugar schedule and put some of you to a test on a motion to strike a blow at the all-powerful sugar trust by knocking out the differential duty in favor of refined sugar. But I see you do not intend to allow us to reach that, either regularly or by unanimous consent.

Mr. McMILLIN, in his admirable speech the other day, told us how the representatives of this trust had admitted before the members of the Ways and Means Committee that they controlled the price of sugar, and told how they fixed the price at which the dealer should sell and how the dealers were required to put the

price up or down as the trust directed. I am informed that investigation has developed the fact that there was less than \$20,000,000 put into the sugar trust, and that that was in the purchase of plants at extravagant figures, some of them purchased not to be used, but to be closed up to prevent competition, and that to this investment of less than \$20,000,000 has been added more than \$55,000,000 of watered stock, making the stock \$75,000,000, and that this \$75,000,000 pays dividends, half at 7 per cent and half at 12 per cent. Besides these dividends, they are accumulating a large surplus and the stock is away above par.

Mr. Chairman, these are the facts, that this investment of less than \$20,000,000 has been paying big dividends on seventy-five millions, and is worth nearly one hundred millions. Now, I want to say that in the face of these facts the representative of the people who votes for this bill with the differential duty in favor of refined sugar, the only object of which is to perpetuate the lease of power and pillage of the sugar trust, ought to have to go home to his constituents with "sugar trust" branded across his forehead and the collar of the sugar trust about his neck. [Applause on the Democratic side.]

He need not think he will escape the wrath of the people by telling what the Wilson bill did. Of course, the man who thinks it is better for the country to have one of the great commodities of universal consumption in the hands of a monopoly to fix prices and make just such exactions as it pleases, both from consumer and producer, should vote for this measure; otherwise I warn him he had best not do it. He will be calling on the hills and rocks to fall on him and hide him from the wrath of an indignant people.

Mr. Chairman, I will mention one other objection I have to this bill and the theory on which it is framed, and in it is found my objection to all tariffs laid merely for protection's sake. You can devise no system of protection that is not partial in its effects and that does not build up some interests and classes at the expense of others. It is the inequalities of the system to which I object. There is no way to avoid them if you try; and in this country of ours, the inequalities and hardships of the system fall with a heavy hand on those of our fellow-citizens engaged in agricultural pursuits, and while I am asking for no special privileges for them, I do protest against discriminations against them.

Let me illustrate. In this great country, with its great agricultural population and its almost unlimited productive energy and resources, we produce of the products of the farm a great deal more than we can consume in the United States. This surplus must find a sale in foreign markets, where our tariff laws can not affect the price, and we must compete with the farmers of other lands for these markets.

Last year our agricultural products that were exported sold for \$569,879,297. Two-thirds of all our exports were the products of our farms. The price realized for this surplus abroad, very largely fixes the price of what is sold for consumption in our own country, so there is no way you can help the farmer with your tariffs. You might help him by paying him a bounty on what he exports, but this you do not propose; therefore I insist that you should not put it in the power of any other class of people to make exactions of the farmer through a system that he is powerless to profit by himself.

Another objection to this system of injustice and inequality is its demoralizing effect on legislation. When you once start on this system of paternalism, of legislating to make some of the people rich at the expense of others, they are never satisfied. The more you give them, the more they want. It is only a little more than six years since you passed the McKinley bill, with an average rate of duty of about 50 per cent, and the country repudiated that bill and "spewed" the Republican party out of its mouth for passing it; and now you come back to power and the first thing you do is to allow the interested parties to force on you a bill with average duties of about 57 per cent, and every interest and every representative of a protected interest is having a scramble to see who shall get the most of the benefits.

I think the scenes we have witnessed on this floor in this debate are enough to satisfy anybody of the viciousness of the whole system. Every protectionist here and some who do not claim to be protectionists are trying to get the advantage of everybody else in some particular, or is accusing everybody else of getting some advantage of him, or is helping somebody to get some advantage in order to get help for some advantage for himself, and you begin now to hear gentlemen talk about the support of this and other bills. They do not discuss the principles of the bills, as to whether or not they are right and such as to command the support of statesmen; but the question is, what is there in the bill for me, or what special favor does it confer on my district or some interest in it?

I do think, Mr. Chairman, it is time some higher motive should actuate Representatives in the American Congress than mere local interests by which their locality is to profit at the expense of some other portion of our great country, and that these Congressional



combinations and trusts to plunder other portions of our common country should be done away with.

Just a word as to your claim that the protection you give is for the benefit of American labor and to provide for the difference in the cost of labor in this country and in Europe. You may take the schedules of this bill and examine them, and you will find that in almost every case the protection given is greater than the whole labor cost of the commodity, and after you make your schedules under the pretense of protecting labor, the manufacturer goes out into the unprotected labor market and buys his labor just as cheap as he can, and does not divide the benefit of protection with the labor that produces the goods. Your labor market is, as I said, unprotected, and the beneficiary of protection forces the laborer to take such wages as he chooses to give, or he goes into the pauper labor markets of Europe and gets someone to take his place.

No, Mr. Chairman; this bill, and the action of the majority in this House, only illustrate what I have always contended, that the Republican party is the champion of the classes, the capitalistic combines, and the trusts, and has no sympathy with the great body of plain, deserving people of the country.

A word or two more with my brilliant friend from Iowa [Mr. DOLLIVER]. You all heard him the other day, in concluding his great speech, say that this idea of McKinley's bringing prosperity was a mere dream.

A MEMBER. That is right.

Mr. ALLEN. Did you all understand that this was an effort on his part to hedge against one of his brilliant predictions of a year ago? You see he is the man who first spoke of McKinley as the advance agent of prosperity. [Laughter.] He now finds that his advance agent is too far ahead of his show. He has seen the country go from bad to worse since McKinley's election. He sees that the banks continue to break; that the business depression gets worse, and that wheat and cotton and almost everything else not controlled by a trust is going down. There have been more than 4,000 failures in the United States in the last three months, with liabilities of more than \$60,000,000, and in the number is included 74 banks. Cotton has gone down more than a cent a pound since the election, entailing a loss on the people of the South of fully \$40,000,000.

No wonder Mr. DOLLIVER wants to hedge against his prophecy of McKinley and prosperity and have the people accept it as a mere dream. [Laughter.] I once saw a little boy caught in a story by his mother, and when it was proven on him, he said, "Why, ma, can't you take a joke?" [Laughter.]

Since Mr. DOLLIVER has been found to be a more brilliant than reliable prophet, he says: "Can't you all take a dream?" [Laughter.] The gentleman said in his very entertaining speech the other day that this bill knows no South, no North, no East, and no West; that its blessings will fall equally on the whole country. But his colleague on the Ways and Means Committee [Mr. JOHNSON of North Dakota] came along right after him and gave us as the reason that the South had not been properly cared for in the bill was that we refused to subscribe to the Republican policy of protection, and then told us that when we did pledge our loyal support to that Republican principle they would then take care of us, too.

Mr. Chairman, a great number of the speakers on the side of the majority in this debate have had a good deal to say about the South's prejudices growing out of slavery and secession. Mr. DOLLIVER went back to rethrust the old slavery straw. The truth is that the only available prejudices resulting from slavery and secession are the prejudices that are constantly worked against the Southern people on account of their former connection with slavery and secession. The first seventy-five or eighty times I heard this secession "rot" invoked against my section after I came here, it irritated me some; but the last three or four hundred times I have heard it, it has made no impression on me. [Laughter.] But it is still irritating to the untutored mind of the new member from the South. [Laughter.]

No public question can arise on which the South takes a position but what the opponents of the position they take resort to stale campaign slop about slavery and secession. In the campaign last year, because a very large majority of the Southern people supported the Democratic contention that it was more money the country needed instead of more taxes, every blather-skite, whether Democrat or Republican, in the North, who advocated the gold standard, when he could find no argument to support his contention, turned his attention to invoking prejudice against our platform and candidates by insisting that the South favored them and the South had once been the home of secession and slavery. [Applause on the Democratic side.]

Now, in conclusion, let me say a few words for the South. It is true that a portion of the people of that section once owned black slaves that the Constitution recognized as property which they had bought and paid for. Their slaves were set free; they lost them; they are not complaining about it; they are reconciled

to it and would not have the institution back if they could get it. But their black slaves having been liberated, they will not join you in a programme that tends to enslave a large portion of the white people of the whole country.

It is true that nearly forty years ago nearly all the people then resident in the South participated in the movement for secession, and, as an earnest of their sincerity, made one of the grandest fights for their construction of the Constitution ever made by any people in the world. But, for reasons I will not stop here to discuss, secession failed, and we have been back in the Union for thirty-odd years, with secession and slavery both dead issues.

We have no apology to make for either. We are not repining or grieving over either. A large portion of the voters of the South have been born since both questions were finally settled. Our people have submitted as gracefully as any people ever did to the arbitrament of war; they have gone to work with a heroism never equaled, and are fast overcoming the many disasters and disadvantages the new condition of things has subjected them to. There is no portion of our country that is as thoroughly American or more thoroughly patriotic than the South.

We have learned some hard lessons in the bitter school of experience. Our people are not tramps, but they are at work; they have learned to live at home; they decline your proffer to enter into a scheme of public plunder in order to secure a small division of the stolen goods. [Applause on the Democratic side.] We do not believe in your scheme of legislative robbery, and we will not go into it. All we ask of the North is that it will keep its tramps at home and keep its hands out of our pockets.

Give us a financial policy under which we can all live and a fair and equal showing in the race of life, and with our genial climate and splendid resources we will take care of ourselves and go on, rebuilding our fortunes, building happy homes, voting for good government, and serving the Lord. [Applause.]

### The Tariff.

### SPEECH

OF

HON. ALBERT M. TODD,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. TODD said:

Mr. CHAIRMAN: Having already, in the interest of those whom I have the honor to represent, as well as in the interest of humanity, entered my protest against this iniquitous measure as a whole, I now desire to protest against this outrageous provision—the retroactive feature of this bill—which has just been sprung upon the country and this House.

First, I desire to call attention to the fact that the United States Supreme Court, in a similar case, that of *United States vs. Burr*, in a decision rendered June 3, 1895, and delivered by Mr. Chief Justice Fuller, declared against such retroactive feature.

Again, our national Constitution prohibits States from passing ex post facto laws, among which this retroactive feature should now class this law, at least in spirit, if not in technical name. If it is wrong to thus oppress the people by State laws, why is it not wrong to place them on our national statute books?

This new scheme of making this law take effect in April has been sprung in the interest of speculators and others who have been quietly importing large stocks of foreign merchandise on which they wish to secure by this infamous provision an immediate advantage from the people and over their legitimate competitors. Only five minutes ago I received a telegram from a most reputable firm, the majority of whom are also Republicans, saying, "We consider the proposal to make duties retroactive an outrage."

And I wish here, Mr. Chairman, to call the attention of our Republican friends to the fact that the great farming interests of the country already see the unfairness with which you discriminate against them in this bill. And I call their attention to the following resolution of one of the Farmers' Institutes in my district, which, after reading, I shall introduce as a memorial in the House:

#### RESOLUTION OF FARMERS' INSTITUTE.

Resolved by the Branch County Farmers' Institute, held at Coldwater, Mich., February 12, 1897, That the growing use of shoddy in the manufacture of clothing is a menace to the sheep and wool industry of this country; that its use is subversive of the business integrity of manufactures and is a blot on the fair name of our Republic, and that it practices a fraud on the consumers.

That for self-protection we call loudly upon Congress to adopt such measures as shall effectually prohibit the importation of shoddy from foreign hands, and also ask that Congress shall pass such laws as will prevent the sale in this country of shoddy, or goods manufactured from the same, except under its proper name and on their merits as such.

That copies of this resolution be sent to each United States Senator from Michigan and our Representative in Congress from the Third Congressional district.

The committee reporting the above resolution consisted of ex-Gov. Cyrus G. Luce, Republican; Mr. L. E. Lockwood, People's Party, and Mr. H. D. Pessell, Democrat, and was adopted by a hearty and unanimous vote, and transmitted through the secretary, Mr. A. J. Aldrich.

Now I wish, in behalf of the people of Michigan, to correct the statement of my distinguished friend [Mr. WM. ALDEN SMITH] of the Fifth district, who just said that "the people of Michigan showed by their vote in the last election that they were opposed to the free coinage of silver." I wish to remind him that both workingmen and working girls were paid in many cases to march in the gold-standard parades, and through poverty were also coerced into voting that ticket. And I wish to call his attention, and that of the whole country, to the fact that Hazen S. Pingree, a friend of silver and humanity, was elected governor of Michigan on the Republican ticket by a vote 26,541 greater than that cast for Mr. McKinley on the same ticket. The latter had a majority of 56,868, and the former a majority of 83,409.

And we now shall await with interest the verdict which the people will render next Monday, which will reverse the one given last November.

### The Tariff.

### SPEECH

OF

HON. JAMES COONEY,

OF MISSOURI,

IN THE HOUSE OF REPRESENTATIVES,

Monday, March 29, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. COONEY said:

Mr. CHAIRMAN: To the amendment just proposed, to increase the duties on toothpicks to 2½ cents per thousand and 15 per cent ad valorem, I am utterly opposed. The pains and penalties already laid by this bill on the efforts of the people to make an honest living are calculated to reduce numbers of them to wholly subsist on the few articles placed on the free list, chief among which are acorns and teeth; and the promised prosperity that is to start the manufactories and open up the mills is likely to choke up and deliver over into the hands of the receiver or the dentist the oldest gristmill in the world, unless it is permitted to use free toothpicks. I am opposed to the adoption of the amendment, if for no other reason than to break the monotony that has accompanied the acceptance of every amendment for the increase and the rejection of every one for diminishing the already extravagant duties reported in the bill by the committee having it in charge.

We have been bluntly told by gentlemen on the other side of this Chamber that we know absolutely nothing about the business necessities of the East; and we have been given to understand by every form in which plain English language could put it for the purpose of driving it home to the mind that the bill under consideration is one to aid the crippled industries of the East, and that we from the great producing regions of the South and West shall have no hand in its construction. In this they are, as ever, logical and true to the economic laws of human and sectional selfishness.

The title of this bill is "To provide revenue for the Government and to encourage industries." The taxes proposed are twofold in their nature; one is to provide revenue for the Government, and is estimated at one hundred and twenty millions more than that produced by the present law. This may or may not be necessary, but it can not be complained of on the ground of uncertainty in its provisions or being unconstitutional in its object. The other is to encourage industries, and the tax levied by the bill for this purpose is unconstitutional, uncertain, and without limit. This tax is not to go to the support of government, but to manufacturers directly in the increased prices of their products to encourage their industries. The amount proposed to be levied by the bill for this purpose is enormous, and compared to which the sum levied for governmental purposes is a mere bagatelle. It is to be raised from the people by compelling them to pay a 57 per cent duty for articles they handle in their business, place upon their table, or wear upon their backs.

There is no power given in the Constitution to encourage any

industry by taxation. The power given to Congress in the Constitution is:

To lay and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general welfare of the United States.

The Constitution provides for no tax but that which is to be collected by the Government and expended by and for the Government; but the Dingley bill, less modest in its declarations than its predecessors, openly defies the Constitution and proposes to hand over to the manufacturers and trusts the power to tax for their own greed the producers of this country. No matter what construction may be placed on casual remarks of great and eminent men, the fact still remains that such legislation as attempts to give advantages to the business of any man, or class of men, is abhorrent to the Constitution, and to every impulse that induced the union of so many great States into a nationhood for common welfare and common blessings. This law can not be permanent on the statutes of a free people. Perverted patriotism may assist evil powers to place it there, but it will not be permitted to go unchallenged for a single day or hour of its existence. The hot indignant breath of freemen will turn it into ashes that will be scattered on the heads of its promoters.

There are, as there must necessarily be, two general classes of persons legislated for in this bill, one composed of those who are to receive the benefits and the other composed of those who, by the taxes and penalties laid therein, will be compelled to provide and furnish the benefits. If those who bear the penalties were to be compensated in the benefits, there would be nothing gained, and the measure would be frivolous.

The friends of the bill still insist that the foreigner pays the tax, bears the penalties, and provides the benefits. In vain have we appealed to them: "If such be the fact, in God's name double and treble up the duties, and let us all get rich out of the foreigner as soon as possible!" But the foreigner can relieve himself from the penalties whenever he desires and render the pretended benefits of this measure impotent or, to say the least, very uncertain. It is not to be presumed that the able gentlemen in charge of this bill, conscientiously laboring to discharge a great party debt to Eastern manufacturers, have squandered their splendid talents in chasing an evasive foreigner upon whom to dump the iniquities contained in their bill, and rely on him to be the rainbow of promise to Eastern manufacturers. They know and we know that they have selected a people as a victim of easier and more certain access than the foreigner, a people who can not escape the jurisdiction of Congressional action, a people whose representatives on this floor have been told that they shall have no hand in the construction of this bill, a people who are ever instant and present to the eye and mind of the party who, with a far-away look and in absent-minded manner, undertakes to describe to us the foreigner who shall bear the tax; a people who for all purposes of taxation have ever been regarded and treated as foreigners by the gentlemen who are forcing this measure through the House. That people are the great producing classes of the South and West.

The great agricultural class of this country, which constitutes its greatest productive power and nearly one-half of its consuming force, is a class whose homes are left undistinguished by the hyssop of its favor and abandoned to the vengeance of the destroying angel that is to be conjured up by this bill. The gentlemen who framed this bill know well that the producing class of this country can not escape the operation of that economic law that declares that the debts and taxes of a nation must eventually be paid, if paid at all, in the products of that country; that the farmer, the artisan, and the miner must wrench from the soil and carve from whatever material resources nature has endowed and blessed the land with sufficient of its raw products to give in exchange for and to liquidate all these debts and taxes. Those who purchase these products and handle them in the shops and on the markets can and generally do protect themselves from the burden of these debts by the prices they fix in their own markets. As the national debt increases, as taxes are increased, as privileged and exempted classes are built up, they can save themselves from the extra taxation consequent thereon by ceasing to purchase, or, as is usually the case, by falling back on the producer and forcing him to take less for the products of his toil and labor. This is why in times of great depression the producer gets less and less for his products, while there is no corresponding diminution in the prices of those things he has to buy. And thus the great burden of taxation at last falls either directly or indirectly upon the producer. There is absolutely no protection for him; he can not, from the very nature of his position in industrial society, be protected only in so far as his natural rights are protected by just and equitable laws, laws that preserve his right to deal with his fellow-men without their exacting therefor tribute from him, a right which this bill aims to wrest from him by a mixture of open violence and hidden duplicity.

An increase of Government expenses, or an increase in taxation for any purpose, is notice given to the producer that he must make up his mind to take a diminished price for the results of his toil,



When a similar condition of public affairs, but one in a much more aggravated form, confronted Sully, the great minister of Henry of Navarre, and he undertook to restore prosperity to French industries that had been wholly wrecked in the religious wars, he proceeded on the wise principle that agricultural prosperity was the foundation of all prosperity, and he revived the ruined industries of his country by reducing the expenses and taxes of Government and wiping out trade restrictions that fettered agriculture.

A very different spirit now animates the Dingley bill, a spirit that in the past thirty years has increased the expenses of the Government from a few millions to over \$500,000,000 annually. Conscious that privilege and monopoly spring from the debts and taxation that burden a people, that same spirit has ridden this Government and still rides it in the boots and spurs of profligacy, leaving behind it mountains of debt and plateaux of taxation, until American citizenship is degenerating into a mere taxpaying function to sustain the fustian and livery of privileged individuals and classes.

A fair example of how debts and taxes are made a burden inseparable from the people's life is in the administration of their national debt, contained in facts and figures which can not be too often repeated and should never be forgotten.

On the 1st day of March, 1866, the national debt was \$2,827,868,959  
The Cleveland Administration added to that..... 262,315,400

Total..... 3,090,184,359

The bondholders paid for the above bonds only \$1,633,739,638 and the Government has paid back therefor to the bondholders the following sums:

On the principal..... \$1,800,000,000  
In interest..... 2,600,000,000  
By way of premium..... 58,000,000

Total paid to bondholders..... 4,458,000,000

So that the bondholders have received nearly three times the amount which they paid to the Government and there is still left a balance of the national debt unpaid amounting to \$1,226,007,806.

But the great iniquity of the administration of the national debt is not shown in the foregoing figures, but in the fact that after the people have been honestly laboring for the past thirty years to pay that debt it stands to-day undiminished by the fraction of one cent as a burden of taxation, and it will take as many bushels of wheat, as many bushels of corn, as many pounds of meat, as many pounds of cotton, and as many tears, struggles, and hardships on the part of the people to pay off the balance as it would have taken to pay the whole debt when they first assumed it.

Table showing the average price in 1866 and in 1895 of nine of the staple products of the country.

	1866.	1895.
Wheat.....per bushel..	\$1.90	\$0.58
Corn.....do.....	1.06	.29
Flour.....per barrel..	10.75	3.50
Cotton.....per pound..	.42	.085
Mess pork.....per barrel..	23.97	8.30
Sugar.....per pound..	.11	.05
Wool.....do.....	.53	.21
Beef.....per hundredweight..	15.25	9.50
Bar iron.....per pound..	.0675	.0267

The following table shows how much of the foregoing products, respectively, the whole national debt could have purchased in 1866 and how much the balance left at the close of the year 1895 could purchase:

	1866.	1895.
Wheat.....bushels..	1,486,842,105	2,183,020,689
Corn.....do.....	2,798,800,000	5,630,003,903
Flour.....barrels..	202,790,097	353,571,428
Cotton.....pounds..	5,885,416,606	14,568,823,529
Mess pork.....barrels..	99,570,813	150,915,853
Sugar.....pounds..	25,883,348,314	24,730,000,000
Wool.....do.....	5,330,188,079	5,755,815,953
Beef.....hundredweight..	181,967,213	120,293,136
Bar iron.....pounds..	41,851,851,851	46,348,314,906

The purchasing power of the national debt is, in fact, greater than the foregoing figures show, for the reason that the last bond sale of Mr. Cleveland is not considered in the table.

It will be seen at a glance from the foregoing tables and figures that the purchasing power of the national debt is, if anything, greater now than it was in 1866, and after we have paid upon that debt the enormous sum of \$4,458,000,000.

We can see the effect that this system of increasing the purchasing power of the debts and taxes has had upon the individual by noting the ever-increasing number of failures reported.

Number and liabilities of failures.

Year.	Number of failures.	Liabilities.	Year.	Number of failures.	Liabilities.
1873.....	5,183	\$228,409,000	1885.....	10,637	\$124,230,321
1874.....	5,830	155,239,000	1886.....	9,834	114,644,119
1875.....	7,740	201,000,000	1887.....	9,634	167,540,944
1876.....	9,002	191,117,000	1888.....	10,679	128,829,973
1877.....	8,872	190,600,000	1889.....	10,882	148,784,337
1878.....	10,478	234,483,132	1890.....	10,907	189,856,954
1879.....	6,658	98,149,053	1891.....	12,273	189,868,658
1880.....	4,735	65,752,000	1892.....	10,344	114,044,167
1881.....	5,582	81,155,933	1893.....	15,242	340,749,889
1882.....	6,739	102,000,000	1894.....	13,885	172,992,856
1883.....	9,184	172,874,172	1895.....	13,197	173,196,069
1884.....	10,968	226,343,427	1896.....	15,088	226,986,834

If we take the official reports and apply them to an ordinary farm family and estimate the prices of the surplus products it had for sale twenty-four years ago and now, we find that it loses annually: On 500 bushels of wheat, \$250; on rye, oats, potatoes, etc., \$50; on 600 bushels of corn, \$120; on 10 tons of hay, \$30; on 3 horses and mules, \$100; being a total of \$500.

Taking the farming lands as a whole, it is estimated from the figures of the Agricultural Department that the reduction of the annual income is \$7 per acre. One billion eight hundred million dollars has been taken from the farmers' annual income, which, if left to them, would be a better encouragement and protection to the Eastern industries than a thousand Dingley bills.

During these twenty-four years we have had two grand panics, many minor panics, bankruptcies without limit, five great labor wars, in which 1,000 persons were killed and \$230,000,000 worth of property destroyed, and all under the fostering wing of high protection.

It will be further seen, as I have before stated, that this increased purchasing power of debts and taxes falls heaviest on the agricultural and producing classes.

This increased purchasing power of debts and taxes had its birth and nourishment from the increased purchasing power that was given to the dollar in the demonetization of silver. Long before its evil effects had been felt by the people, honest, sincere, and able men who loved their country and their fellow-men gave notice of the inevitable evils that would follow that act; and there has not been a day passed since then that they have not pointed out that the true remedy of the evils endured by the country is in the reversal of that act that brought them into existence. You have tried every other remedy and failed. You have conjured up new and unknown remedies that you might put off and evade the application of the only true and permanent one. During all these years of falling prices, of the increasing purchasing power of debts, taxes, and the dollar, you have had high protection; you have raised it still higher, and still the tide of falling prices swept on; and now you propose to gather up all the jetsam and flotsam of all the old tariff bills that have been wrecked in the flood of disasters evoked by your gold standard and fashion them into a new bill which, if it can not abate the storm, will admit of plunder in the confusion of affairs. Your remedy of a high tariff will fail now as it has failed before. The people are robbed of the products of their toil and labor by the destruction of their constitutional money—

A tithe purloin'd cankers the whole estate—

and it is not protection but restitution that will reach the disease.

There is nothing in the history of legislation of this kind that can warrant the belief that it will be a permanent remedy even for those for whom it is made. Since we departed from the Walker low-tariff system, since the Republican party undertook the operation of the people's industries through the functions of government, higher protection has been periodically demanded by and given to manufacturers. That which to them appeared sufficient at the time soon lost its force, and they demanded more. Protection has operated on them as the feast of the enchantress operated on Ulysses's men when it turned them into swine that spent their time in grunting for more swill. How long will the great Republican party permit itself to be hired out by its leaders as the sloop carrier to the sty of the manufacturers? How long will the people be taxed for such gluttony? The passage of every such outrageous and one-sided bill as this only hastens the time when the people, unable to endure its burdens longer, will demand the complete destruction of the whole system and the institution of another system of taxation, with methods less uncertain and subtle in its operations than one levied on imports, and which is at any time likely to give birth to a monstrosity like that which is now brought forth as the herald of prosperity.

## The Tariff.

## SPEECH

OF

HON. JOHN C. STURTEVANT,

OF PENNSYLVANIA.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897,

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. STURTEVANT said:

Mr. CHAIRMAN: The remarks I shall make on the bill before the House will be of a general nature, treating the subject from the standpoint of a business man who has observed the effects of both protection and free trade upon the productive interests of the country. The low tariff of 1857, within six months after its passage, plunged the country into a panic so disastrous in its effects that most of the banks in the country were forced to suspend payment, and in my own State every bank but one. Every intelligent man who lived during those disastrous times knows that the business interests of the country lay dead till the Morrill tariff of 1861 gave protection to our producing industries and brought life into business channels. From that time till 1892 the country was under a protective-tariff system. The scale of duties was changed several times, but the change was always on protective lines, and, as a rule, was made to give greater protection with each revision. During those thirty-two years of tariff protection the United States enjoyed a business prosperity unequalled in this or any other country in the history of the world. The population doubled; the wealth quadrupled; and this included a time during which we carried on for four years a most bitter and determined war, and crushed the most gigantic rebellion on record.

When that war closed, our bonded debt was over \$2,300,000,000, and our unascertained debt was sufficient to make the aggregate about \$3,000,000,000. That unascertained debt had been paid, and the bonded debt had been reduced, at the rate of \$65,000,000 a year for twenty-eight years, until in 1893 it was less than \$600,000,000. Then the Democratic party came into power. The country had withstood that party when they advanced against the national capital with arms in their hands, but it was now to be put to the severer test of an attack by the same party when intrenched in the legislative and executive branches of the Government and wielded the power of the national purse. How it withstood that attack may be seen in the depression of individual industries and the destitution of the poorer classes. It comes to the official cognizance of this House in the decrease of the revenue and the increase of the bonded debt. Under the grip of the present Democratic tariff, which has been strangling both capital and labor for three years, our bonded debt has been increased more than \$262,000,000 to supply a deficiency such as never before had existed in the revenues of the Government. That increase in the bonded debt means a perpetual tax on the people of the United States to the amount of the interest on that sum, about \$11,000,000, because a deficiency of revenue from tariff duties is a total and irretrievable loss.

During the thirty-two years of the protective system the country was a part of the time on a paper-money basis and a part of the time on a gold-money basis. The most prosperous period was under a gold-money basis. Our prosperity in the latter period attracted the attention of the statisticians of the world. That great Englishman, Mulhall, declared that our progress in wealth from 1879 to 1892 was without a parallel. But wealth was not the only beneficiary. Improved machinery had greatly reduced the prices of the products of labor, but the price of labor had steadily advanced. In 1892 a day's labor would purchase 66 per cent more of the necessities or luxuries of life than could have been purchased by a day's labor in 1860. What was true of the purchasing power of a day's labor in 1892 may be true of a day's labor in 1897, but the highways are filled with men of muscle and a will to work, who are seeking work and finding none, and it matters not to a man out of work what a day's work will purchase. What is true of the ordinary day laborer is true of the farmer. He is a laborer if anybody is; he employs himself and pays himself from the products of his labor when he markets them. What the farmer wants is a home market. His market is not the granaries of Europe, but the mouths of the American people, and to some extent their backs. He feeds them, and he ought to clothe them. This bill gives him a chance to furnish the raw material for every yard of woolen or cotton goods worn in America. It ought to be a badge of disgrace to an American citizen to wear a suit of clothes made from the product of a foreign loom. Grover Cleveland, the man

of great promise and small performance, said in his letter of acceptance in 1892:

The manufacturers have been protected and grown rich, but the laboring man is waiting for his divide.

Democratic organs and orators made this a catch-word to ornament their speeches and writings and to illuminate their banners. The laboring man was made to believe that he was being cheated by his employers, and so he voted against those who gave him employment, and against the tariff which enabled them to give it. He paraded the streets and made himself hoarse with the then glad but now sad song:

Grover, Grover, four more years of Grover;  
Out they go, in we go, and then we'll be in clover.

But the laboring man who "was waiting for his divide" while working at protective wages in 1892 is still waiting for his divide while tramping the country in search of work at any wages he can get, or foraging on the public soup houses. It is true that somebody has been in clover. Two hundred and sixty-two million dollars added to the bonded debt bear witness not only that there has been a large consumption of clover by the Democratic leaders, but that the reduction of \$2 a ton on hay did not affect the price paid by the Government for four years' forage of Cleveland clover. Mr. Cleveland said that the country needed an "object lesson." He gave it to our people, and, if I interpret the lesson of the election of last fall, they do not want any more of it. They know it by heart. The siren song of the free-trade speakers of 1892 lured the people with the false hope that, with free raw material, our manufacturers could capture the markets of the world. They promised to pay higher wages to labor and sell the products of that labor cheaper. No party had ever before had the audacity to make such a proposition, so absolutely contradictory to common sense; but that is what the Democratic party did, and on that proposition they led the unsatisfied and the simple-minded to the polls, like lambs to the slaughter. The Republican speakers warned them that free trade meant low wages and little work, an increased importation of foreign products and a decreased American production; that the use of foreign products meant the employment of foreign labor, and the employment of foreign labor meant the idleness of American labor.

Experience had taught this and common sense had confirmed it, yet the stampede went on and protection was doomed. Mr. Cleveland's election at once threw the manufacturing interests into a panic. They believed that the new Administration would carry out their pledge to repeal the McKinley law, and they knew that a business crash would follow. It was their duty to prepare for the storm, and they did it at once. They began by reducing expenses. They ceased buying raw material. They disposed of stocks on hand as best they could. They discharged part of their workmen, and reduced the wages or hours of those retained. They made every possible retrenchment to meet the new condition and escape absolute bankruptcy. That started the worst industrial panic the country had ever seen, and continued it with increasing intensity until McKinley was elected. Even now, though hope gleams through the gloom from the Capitol and the house at the other end of the Avenue, it hangs like the pall of midnight over a country which if properly ruled would not have an unfed mouth or an unclothed back among its 75,000,000 people. I tell you, gentlemen, that though the act may have been done in the form and under the color of law, the change wrought in the country by the tariff legislation of the last four years, in the ruin it has wrought, in the capital it has destroyed, in the labor it has made idle, in the army of tramps it has recruited, and in the beggary it has entailed on men, women, and children, causes it to rank, in the black annals of history, as the crime of the nineteenth century. In the year 1893 the railroad stocks of this country depreciated to the extent of \$700,000,000, and men of wealth were made poor; nor did the rich alone suffer; the estates inherited by widows and orphans, many of them in amounts of a few hundred or a few thousand dollars, were reduced. The capital lost or rendered unavailable made sad inroads into the business interests and drove many to bankruptcy. One-half the railroads are yet in the hands of receivers, and many are unable to pay interest on their bonds. Every class seems to have been under the free-trade ban. Like the locusts of Egypt, it has devoured all and spared none. Like the plague, it has been no respecter of persons. Its rule was strictly a case of equal ruin to all and special privileges to none. There were no exceptions, and even the soup houses were open to the rich and the poor alike.

The scale of duties in the McKinley law, which gave the country the highest degree of prosperity it ever enjoyed, was more perfect than that of any previous tariff, but I believe the scale in the bill now before us is still better. The experience of the country under the McKinley bill gave a practical test of its provisions, and, taking advantage of its lessons, the present committee has made such changes as will remedy the defects of that bill. I believe that this bill will, in a reasonable time, restore business to its former channel, put the mill wheels in motion, take the railroads out of



the hands of receivers, give employment to every man in the country who wants to work, at good wages, and provide for a gradual increase in the price of labor as the mode of living and civilization advances. It will also give the farmer a larger market at increased prices, for the reason that his best customer, the laboring man, will have the means to pay with. The same will be true of the products of the manufacturing establishments. Higher prices of one product inevitably makes a higher price for all products, and experience has shown that everybody is most prosperous when there is a general advance in prices in every line.

A word to those who claim that the sole trouble with the country is because there is too little money. It is admitted that the price of everything is governed by the law of supply and demand, and that the interest rates on loans are governed by the same law. How, then, can it be said that there is less supply, in proportion to the demand, in the money of the country than ever before, when the rates of interest are lower than hitherto known? It is almost a contradiction of terms. There is in fact more money in the country now than the present business of the country needs, and that is why money goes begging for responsible borrowers at cut rates. What the country needs is not more money, but more ways for poor men to get what there is. There is more gold and silver in the mountains of Colorado, Utah, Idaho, Arizona, and Montana than the world ever produced, but it is useless unless we can get at it; and the gold and silver locked up in the vaults of the Treasury and of the banks is as useless to the laboring people of this country as that in the mountains until the means shall be provided to get it. This bill is the key to the money vaults of this country and of the world. Its first effects will be to stop the importation of foreign goods which compete with our home products. When we cease to buy foreign products, we will buy American products. American factories will be ready to start, American workmen will be put to work, and the money which is now paid to the foreign workmen will then be paid to the American workmen. This will in time put everybody to work who wants work. Laboring men having employment will have money, and, having money, will spend it. They will pay it out for what they eat and drink and wear, and there will be a market for every article of the farm and cash for payment. The policy of this bill is to reserve the American markets for the American products and practically exclude every article of foreign origin which would injure the sale of an American product. When such a state has been brought about, the money question will not be heard of or spoken of, except as one of the foolish hallucinations of a bygone age.

The reciprocity feature of this bill is a very important one. Its effects will be practically the same as under the McKinley law. Under that bill reciprocity agreements were made with more than twenty countries of the world, and the result was that our trade with those nations was increased over \$100,000,000 a year. In the Island of Cuba, in which our trade had not before exceeded \$11,000,000, it was increased under the reciprocity agreement with Spain to over \$23,000,000 in 1893. Protection and reciprocity are not antagonistic if carried on under the provisions of this bill. The articles upon which we rebate the duty are such as we can not supply in quantities equal to the demand, and by this we open up a foreign market to the free introduction of articles, mostly the product of agriculture. We really give that which is of no value to us, but is of value to the other party in the reciprocity deal, and get what is of immense value to us in return—a free admission to its markets for our grain and our meat. That protection, reciprocity, and prosperity go together is true in every sense. With free trade every possible advantage is given to foreign countries in the way of trade facilities, and there is no chance for reciprocal trade. You can not give away a thing and charge for it. This bill puts a tariff on foreign articles, and demands an equivalent for taking it off in special cases. That equivalent is a free entry for American products into the foreign market. The difference between free trade and reciprocity is that the former gives away our market for nothing, while the latter exchanges it for a foreign market for American products, and this is business sense.

It has been claimed that the protective system makes the South poor while it enriches the North. This is not true. Protection covers every portion of the country alike, and benefits every industry in the whole country. It is founded on the broad principle that no man can be injured by making others prosperous, nor can anyone be made permanently prosperous by the wreck of the business of others. What is for the good of one section will finally result in the good of all sections, and no section can be materially injured in its business without injuring the whole country. The prosperity of the South and West makes, in those sections, a better market for the manufacturing products of the North and East, while the prosperity of the manufacturing sections of the North and East gives increased employment to the labor and a better market for the products of the South and West. In both cases the money passes from one American citizen to another American cit-

izen and remains in the country. If we pursue this plan, selling all we can abroad and buying nothing abroad which can be produced at home, more money will come into the country every year than goes out of it, and, with our productive mines of money metal yearly increasing the output, we will in time have more money than the aggregate of the rest of the world. A nation gets rich just as an individual gets rich, by producing more than it consumes and selling more than it buys.

Nearly every Democrat who has spoken on this bill has given as a reason for his opposition to it that "it will build up rich corporations and make the rich richer and the poor poorer." This is the cheapest kind of campaign trash, and is an insult to the intelligence of the American people to whom it is addressed. A rich man invests his money in business that he may become richer. If this bill will make the rich richer, it will do so by making business better. In the historic words of Flanagan, "That is what we are here for." I am sure that is what the members on this side of the House are here for, and I hope that the vote on this bill will indicate that some of the members on the other side are here for the same purpose. We have had an object lesson given us by the Cleveland Administration, in placing the country in a condition in which the rich could have no hope of becoming richer, but the poor could have increased facilities for becoming poorer. The result was that capital retired from business and labor was idle. The business of the country can not be carried on by poor men. Poor men can not give employment to poor men. Poor men can not pay wages. Poor men can not build mills. This bill will induce the rich to draw their hoarded money out of the bank vaults, put it into manufacturing enterprises, give employment to all who want work, empty the poorhouses, lock up the soup houses, and put manhood into the heart of beggary and honest wages into the pocket of pauperism. It is for the members of the other side of the House to explain in what way the poor are to be made poorer by such operations.

The census of 1890 shows that property in this country was more evenly distributed at that time than it was ten years before, and that, though there were millionaires, the general average of wealth among the people in 1890 was more evenly distributed than in 1880. Common sense would indicate that under the operation of the protective system, with its increasing employment and constantly increasing average of remuneration of wages, the general distribution of wealth should even up, so to speak, until there should be fewer very rich and fewer very poor people in the land. Plain reasoning would put to scorn the senseless assertion that the policy which gives the idle work, at any kind of wages, makes them poorer. There are hundreds of thousands of American citizens now imploring Congress to pass this bill and make them "poorer" in that way.

Mr. Gladstone has said:

The evidence of statesmanship is seen when a country is so governed that the people are peaceful, prosperous, and happy.

If the condition of the country now gives evidence that there has been any such statesmanship displayed by the late Democratic National Administration, it is in order for any one that knows of it to speak out. It ought not to be kept longer a secret.

Mr. Chairman, I have given many reasons why, in my own opinion, this bill should become a law. My individual vote is but one vote. The vote I cast here is the vote of 19,000 stalwart Republicans, whose servant I am, and whose mandate I bear. These men are reading and thinking men. The subject of protection to them is one of a life education, illustrated by practical experience of the benefits of its operation and the distress felt by its want. I may consider and debate, and differ with my fellow-members on the question of schedules, but when it comes to the vital question, for or against protection, there is nothing for me to consider, and I have only to honestly perform my mission here by delivering the vote of my district where my constituents have ordered me to deliver it. That I will faithfully do.

We are here to do the bidding of a great people, not to consult and do what in our opinion is the best to do for them, but to do what they have determined shall be done and have commissioned us to do in their name. We are 357 men, and it is not in keeping with the principles of a republic that so few men should rule so many; but the voice of this House is the voice of a continent. From the thirteen old colonial States of the East, from the Pacific Coast, from the plains of the great Northern Slope, and from the valley of the Father of Waters are gathered here and united in us the voice of 14,000,000 voters, who sent us here for the express purpose of dissipating the gloom which has settled upon the business interests of this country. Some have been intrusted to do it in one way and some another way, but a majority have declared that it shall be done by the restoration of a protective tariff such as is embraced in this bill. If the American principle is to be observed in good faith in the government by a majority, there ought not to be one vote cast against this bill. The Representative who votes for this bill, be he Democrat or Republican, and assists in the relief of the people of the country from the distress brought

upon them by the crime of November, 1892, will leave a proud inheritance to his children's children.

Mr. Chairman, I feel this to be the grandest opportunity of my life in the discharge of my duty to my country and its people—to be able to speak and to vote for a measure which will, in due time, bring back to us the conditions of prosperity and happiness which we enjoyed in 1892. I am proud to stand here as a representative of a party which has ever striven to maintain the honor and increase the luster of the starry flag, and has now come again to the support of the nation in this the hour of its greatest need.

#### The Tariff and the Cotton Grower.

#### SPEECH OF

HON. J. WILLIAM STOKES,

OF SOUTH CAROLINA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 30, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. STOKES, under resolution of March 19, said:

Mr. CHAIRMAN: The discussion of a mere theory can never be a popular discussion. It is rarely the case that the speech or the speaker upon such a topic can command the continued attention of even the more thoughtful. Still less, if possible, is the history of a theory likely to enlist and hold the attention, even when the theory itself lies back of so absorbing and far-reaching a subject as a tariff tax upon the many for the benefit of the few.

And yet, Mr. Chairman, no discussion of the tariff question would proceed upon logical or statesmanlike lines, unless it recognized both the theory and the history of tariff legislation in this country. And he who looks into the history with unbiased mind, an earnest, sincere searcher for truth, must soon recognize that there is a theory, or rather theories, on this subject, and that the practice of the two leading schools of thought on this subject varies very widely from the theories which they hold, or are charged with holding. On the one hand, the Republicans charge the Democrats with favoring free trade, and hence, they say, we are in positive opposition to the industries of our country. On the other hand, the Democratic party retorts with the charge that Republicans favor protective or prohibitive duties on imports, thus enforcing the exclusive use of American products at a higher price than the same or better goods can be bought in the markets of the world.

As is usually the case, the truth lies between these two extremes. Measured by the tariff measures offered or enacted by each party from time to time, when intrusted with power, the correct statement of the Democratic position has been in favor of a tariff for revenue only, with incidental unavoidable protection; from the Republican side the contention has been tariff for protection of certain industries, with incidental revenue. Yet each in practice has varied widely at times from even this modified statement of position. For instance, the Democratic tariff measure of 1846 was projected more closely on free-trade lines than any that preceded or followed it. Indeed, it was passed by the Democratic party with the avowed intention of putting in operation as far as possible the principles of free trade, and yet an average duty of 30 per cent was imposed on iron and iron manufactures, wool and woolen manufactures, and cotton manufactures; while tea and coffee, which are purely revenue articles, since they are not produced in this country, were admitted free of duty. The same policy was continued in the act of 1857; and yet in a literal sense these measures were by no means free-trade measures. It is a fact worth noting, however, that the period covered by the life of these two bills, which went farthest in the direction of free trade, was characterized by the most general and pronounced prosperity in the history of our country.

It is equally true that Republican tariff measures have not, in all their schedules, been uniformly protective. But he would be blind to truth who should arise from the study of this question without the impression that history has borne out the contention of the Democratic party against protection in respect to the breeding of trusts and combinations. It is curious to note in this connection that the protective feature of our present system, as such, was not suggested by the manufacturers themselves, who have been its chief beneficiaries. It was introduced by the Congress as a compensation to the manufacturers which were made the subject of direct internal taxes to carry on the war. The nation was in peril. Money was needed, and it was raised by the most certain and quickest method; i. e., by excise duties on iron, cotton, woolen, and other manufactures, incomes, etc. But once these industries got a taste of public legislation for private gain,

they combined to retain their advantage, and they still retain it, thirty years after the internal taxes were removed. They have grown to such powerful proportions that they have the Government practically by the throat; and the present tariff bill is but a compilation of the schedules submitted to the Ways and Means Committee by the several combines interested. The circle of protected industries has been steadily enlarged until it includes almost every necessary article in general use by the people. So much for the historical side of the subject, and what it reveals as to the actual attitude of each political party toward this question.

The main point to be borne in mind all through this discussion, the practical point, is that the tariff is a tax. Even Republicans are found frank enough to admit that; and that the effect of that tax is, in most instances, to increase the price of commodities to the consumer. Taxes are direct and indirect according to the mode of laying and collecting them. It is perfectly plain who pays a direct tax such as is levied in the States and counties and municipalities of our land. It is also quite clear who profits by the payment. The party who pays a direct tax takes the itemized receipt of the person designated by law to receive the tax, the amount of which is ascertained pursuant to law; and the beneficiaries of the tax are likewise distinctly designated by law, and how much each is to get for service performed for the public good. There can be no mistake as to the payer and the payee. Both are in the open, and the amount and each item of the amount are definitely fixed by law. It is not necessary to say that a tariff is not this sort of tax.

In the case of the indirect tax, it is only by the closest scrutiny by expert minds that in many cases the tax can be traced from the pocket of the payer (who is usually the consumer) to its final destination in the pocket of some unlicensed collector of the tax. The payer may, and often does, feel the burden without realizing whence it comes, or who is the beneficiary of his added load. That is the very essence of a tariff tax. If the payer could trace always and unmistakably the tax he pays upon salt, sugar, matches, woolen and cotton goods, cutlery, and almost every item of daily living from his own pocket, until it lands in the pocket of the protected trusts and monopolies that control all these necessities of life, does any man believe the existing system could stand? Does any advocate of the protective system dare trust his pet scheme to such a test? You do not dare do it. You know and everybody knows that your system would not stand a year, certainly not longer than the next general election. It is inherently a vicious system; and positively pernicious in the temptation which it offers to shift the burdens of taxation from the strong to the weak, from the alert to the less watchful, from those able to resist unjust exaction to those less able to resist or make themselves heard.

But I need not take up more time upon the general aspect of the question. We have the indirect tax with us in its most vicious and pernicious form. It is the condition in which we find ourselves, rather than the theory with which we are concerned. What of the pending bill? It is obnoxious, of course, to all the objections already pointed out to indirect taxation in general—in most items in an aggravated form.

It will be impossible, within the scope of this discussion, to consider the various schedules, covering thousands of items, in detail. It must suffice to say that almost every conceivable article that enters into the living of the poor is taxed in this bill—salt, matches, sugar, flour, shoes, woolen and cotton clothing, medicines—all these, and a thousand others of like character invite criticism, and it is a temptation to enter into that sort of consideration of this bill; but time and utility suggest a different course.

I desire to be entirely practical and to limit my discussion to present, living phases of the question; and so I will pass at once to that phase which most immediately concerns my section and consider it in the light of the general truths already developed. I refer to the features of the bill in their relation to the cotton-farming industry, easily the most important factor in the industrial problem of my section, whether considered in point of numbers, or of sturdy independence, or of value of product. Not that I underrate the cotton-manufacturing, tobacco, lumbering, and other industries of my State. Far from it. It is simply this. They are so linked with the favored industries of like character in the East that they are fairly well cared for in the general scheme. The cotton farmer is not in that situation. Not only does he bear his full share of the tax on the thousands of articles referred to already as entering into the daily living of all citizens alike, but almost every article used by him in the production of his crop is taxed for the benefit of some other industry; while his product must be sold in the markets of the world in competition with the world's products.

This bill imposes a tax on trace chains of from 1½ to 2½ cents per pound; on agricultural implements, 45 per cent ad valorem; on plows, cotton gins, mowers, and reapers, 45 per cent; on cotton ties, seven-tenths of a cent per pound; on bagging, 60 per cent ad valorem, and so on through an extensive list.

And how is it proposed to compensate the cotton farmer for



these iniquitous exactions? What remedy does this bill propose for the admitted inequality? So far as the bill itself is concerned, it proposes absolutely nothing. But an amendment was voted down in the Ways and Means Committee, we are told, imposing an import duty of 2½ cents per pound on cotton brought to this country from abroad. We are told further that this amendment will be offered in the House, and as the opportunity may not present itself under the rules for full discussion of that proposition, I will discuss it at this time.

Some adjustment of the wrong to the cotton grower is necessary. It is infamous that he should be so discriminated against. I am anxious to vote for and support every measure that promises relief to my fellow cotton growers that does not involve a sacrifice of principle; and I feel sure they will never ask anything of their representatives or for themselves that involves moral or political turpitude. Let us examine closely this proposition for an import tax on cotton.

What does it mean? What does it imply? What benefit does it confer if adopted. How does it square with our principles? These are the questions that I shall attempt briefly to consider and answer.

To my mind this is one of the most momentous propositions, the most far-reaching in its consequences, that has confronted the Representatives from the cotton-growing States and the cotton growers themselves in the last quarter of a century.

Mr. Chairman, in behalf of the cotton producers in my section, I raise my voice against the imposition of the proposed tax upon cotton. The great majority of the cotton farmers down there are Democrats by tradition, as well as by intelligent conviction. They believe that good morals and good political economy go hand in hand, and that upon this particular point both are embedded in the tenets of the Democratic party throughout its history—particularly in that Democratic doctrine enunciated at Chicago in 1892, as follows:

We denounce Republican protection as a fraud, a robbery of the great majority of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic party that the Federal Government has no constitutional power to impose and collect tariff duties except for the purposes of revenue only, and we demand that the collection of such taxes shall be limited to the necessities of the Government when honestly and economically administered.

And again, in 1896, the Democratic party, after reaffirming the principles laid down in former platforms, enunciated this doctrine:

We hold that tariff duties should be levied for purposes of revenue, such duties to be so adjusted as to operate equally throughout the country and not discriminate between class or section, and that taxation should be limited by the needs of the Government honestly and economically administered.

Not only did we subscribe to these doctrines when enunciated by the national party, but before those conventions met in Chicago, the farmers of my State had embodied in the platform of the State Democracy the demand of the Farmers' Alliance upon this point:

Believing in the doctrine of equal rights to all and special privileges to none, we demand that our national legislation shall be so framed in the future as not to build up one industry at the expense of another. We demand, further, a removal of the existing heavy tariff tax from the necessities of life that the poor of our land must have.

Upon these declarations of principle, the issue, so far as the tariff question is concerned, was pitched in our State; and upon these issues we were sent as Representatives to this Hall.

For my part, I believe the Democratic party of my State was honest in its profession of principle. I believe the farmers who compose the bone and sinew of that party and who control its destiny were sincere when they embedded those principles in the platform of the party. I refuse to believe that they said one thing and meant another; or that we can truly represent them by promising one thing before election, and doing a different thing after election.

There is no concealment of the purpose of a tax on cotton. It is to protect the home producer of a certain staple of cotton from imports of Egyptian cotton. That is the avowed intention. It is not pretended by anyone who has accurate information on the details of the subject that it will or can produce an appreciable revenue. The purpose is distinctly stated. It is to shut out Egyptian cotton—that is, protect the home producer of cotton of corresponding staple. This is the very essence of the protection doctrine. It is protection for protection sake, without even the incident of revenue. It is protection pure and simple, and its advocates are protectionists. And yet our platform says in unequivocal language:

We denounce Republican protection as a fraud, a robbery of the great majority of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic party that the Federal Government has no constitutional power to impose and collect tariff duties except for the purposes of revenue only, and we demand that the collection of such taxes shall be limited to the necessities of the Government when honestly and economically administered.

If that were a true utterance when the Democratic party went before the people in 1892 and in 1896, it is eternally true, and it

can not be displaced by any considerations of mere loss or gain. If it was robbery to take from the farmer his hard earnings in the shape of a tariff tax on bagging and ties for the benefit of manufacturers, is it not equally robbery for the farmer to ask a tax on his product at the expense of others? If it is unconstitutional to levy and collect a tariff duty except for purposes of revenue only, as held by the Democratic platform, how can any Democrat defend a proposition for a protective duty pure and simple?

This proposition is a subtle appeal to that most masterful and sordid of all human passions—self-interest—coupled with an implied sneer at the "sentimentality" that has, they say, kept the South back in the race of dollar prosperity. I remind those who sneer that her sentimentality has been the crowning glory of the South in the past. It is the rudder that has held her true to her traditions and her principles in the past, unshaken, unmoved, amid the mad struggle for mere money prosperity. I would remind the scoffers that there are, in the estimation of the South, other standards of excellence besides the dollar standard.

It is but his just meed of praise to say that to-day the Southern cotton farmer has preserved these higher standards and estimates in purer type, perhaps, than any other class of our fellow-citizens. In the South, as elsewhere, the farmer is the great moral, social, and political breakwater against the tide of sordidness that threatens to engulf society, and merge all standards into that of the American dollar.

But, Mr. Chairman, even if heeding the seductive casuistry concealed under the plausible appellation of "business methods," we should deliberately sit down to compound with principle and juggle with conscience, what of substantial benefit is offered the cotton farmer in the proposition to place a tariff of 2½ cents on cotton imports?

If it be not too violent an assumption, assume sentimentality aside; assume principles and platforms and morals thrown to the wind for the time, and ourselves sitting down in cold blood to consider this proposition from the standpoint purely of "business method." Assume all this, and what is there in the proposition for the farmer. Let us look well to this, for if we are to consider in cold blood this proposition to sell out our platform for pecuniary gain, let us be sure not to sell too cheap. Let us not sell out our birthright for a mess of pottage, and less than a mess of pottage. If we embrace this proposition of the tariff robbers to divide the "swag" with us if we will not squal, let us be sure that the "swag" is worth the sacrifice demanded of us. What do the promoters of this tax offer us as compensation for the abandonment of our platform, as an inducement to compound our principles, as a sedative to our sense of honesty? What do they offer? I assert here and now, and I defy contradiction, that so far as the bulk of the cotton farmers are concerned, the imposition of an import duty on cotton will not help one ten-thousandth of a cent. It would not touch the shortstaple cotton producer at all. It would touch to a very small extent the producer of lower grade sea-island cotton. It would touch directly only a very small class, engaged in producing the intermediate grades; and, as I shall show presently, it would not effect any rise of price to them; but if it should result in an enhancement of price to those few, it would mean just so much tax levied upon the growers of shortstaple cotton, who compose the great bulk of our cotton farmers, for the benefit of those few. In other words, if the proposition to place a tax of 2½ cents on imported cotton should prevail, the promoters of the tax would have us believe that it would result in enhancing the price 2½ cents to producers of the intermediate grades, now raised by a very few farmers, and necessarily limited to a very few. A more absurd contention never emanated from a sane and at the same time serious source. But suppose, for sake of argument, that it did raise the price of the home product 2½ cents, who will pay that additional 2½ cents? It will be paid by the consumer of the goods manufactured from that grade of cotton. The great mass of the cotton farmers will pay their share of that 2½ cents per pound in proportion as they use that grade of goods; and thus the great majority of the cotton farmers will be taxed for the benefit of the very few engaged in producing intermediate staple. And yet this is the result of the boasted "business method" of laying a tariff!

But I said above I would show that not even the grower of cotton with which the Egyptian product competes would be benefited. Why, Mr. Chairman, even the average farmer knows that the price of cotton is fixed in Liverpool. He has an object lesson on this point each recurring season, burned into his memory by hard experience.

The farmer in my section knows that this is in obedience to an inexorable law of commerce, that when any crop is produced in excess of the home demand, the surplus must be sold, if at all, in the markets of the world; that this surplus will be sold at the world's price, and that the price of the home consumption will be regulated in the main by the world's price on the surplus. It is

also well known that in fixing the world's price on cotton the entire production of all countries and all climes in its relation to probable demand has been considered.

The American crop, the Egyptian crop, the Indian crop, the Chinese crop, the Peruvian crop—all are footed up and constitute the world's crop upon which a world's price is fixed in Liverpool; and not a pound can be bought or sold anywhere in the world that is not bought or sold upon the basis of the world's price in Liverpool, less freight. And it makes absolutely no difference whether the ninety thousand bales imported here last year were sold in the American market or in the antipodes, the price would be always and everywhere the Liverpool price, less freight. How, then, can the proposed import tax of 2½ cents help the price to the grower of the grades affected by Egyptian cotton? Is it not perfectly plain that this is a sheer pretense? It is a false pretense upon its face even to the very small class of farmers affected by it, in that it does not, and can not, accomplish what it promises to them; and if it did, such benefit as is conferred would be at the expense of the great majority of cotton farmers along with those who consume the goods manufactured from this grade of cotton.

Can any further demonstration be necessary to the unbiased mind? If corroborative evidence of history in collateral cases be desired, it is ready to hand in the Statistical Abstract issued by the Agricultural Department. The McKinley Act placed a tariff of 15 cents per bushel on corn and 25 cents per bushel on wheat, both of them, like cotton, raised largely in excess of the home consumption. The pretense was to compensate the growers of corn and wheat for the burdens laid on the farmers of the West, for the benefit of the protected industries of the East. Did the import duty help the growers of corn and wheat? No. Although the production of both corn and wheat decreased for several years after that tax went into effect, the price of corn went off from 40.6 cents per bushel in 1891 to 25.3 cents in 1895. Similarly the price of wheat went off from 83.9 cents per bushel in 1891 to 50.9 cents in 1895. It was a pretense and a fraud upon the Western farmer, in fact, just as this will prove to the cotton farmer. The price not only went down to the farmer in spite of reduced production and the protective tariff; but there was no revenue to the Government, as there never had been any appreciable imports.

Hence, I repeat, if we listen to the seductive phraseology of gentlemen who assure us that it will be good "business method" to even up our losses from the tariff robbery by joining the robbers and dividing the "swag," let us throw off all disguise, proclaim ourselves protectionists, and openly demand something substantial. Let us not sell out too cheap. Let us have some real benefit. What shall it be? How shall the cotton farmer secure a bigger divide with the tariff robbers? That is the "business" question. Will it be by demanding a still higher import tax on cotton—say, 5 cents, or 8 cents, or 10 cents? No; it is supreme absurdity to expect any enhancement of price to the producer from a tax on imports so long as the bulk of his product is exported. Reason demonstrates this by infallible proof, and experience verifies the demonstration. There is but one possible way to benefit the producer of an export crop by any legislation, and that is by a bounty on exports or on home consumption. I think even our protectionist friends will hesitate long before committing themselves to the bounty iniquity again. Now, if our friends, the solicitous friends of the farmer, who profess to desire to compensate him by legislation for the unjust exactions laid upon him by legislation, if these friends sincerely desire to do something for the cotton farmer, something worth the cotton farmer's while to consider, let them urge a bounty on exports or on home consumption. If they are sincerely trying to help the cotton farmer, and not talking merely for buncombe or to fool the farmer, let them offer him a bounty, which is the only possible way to reach the farmer's present distress. This is just as consistent as the doctrine they now exploit; and it is also just as pernicious; but why take two bites at a cherry, even though a rotten cherry? They say if protection is to be the policy of the Government, then let us go in for our full share of it by asking a 2½-cent import tax on cotton. It is just as rational, just as proper, to say, "Since protection is to be the policy of the Government, give us something that will really benefit us; give us a bounty." It is no more unconstitutional to take the money out of the Treasury to pay a bounty to cotton growers than it is to take money out of other people's pockets for the benefit of the cotton growers.

This novel and delusive plan of operation, glossed over with the seductive appellation of "business methods," translated into plain, practical, every day transactions, means simply this: They say the tariff is a robber; that it robs the farmer; therefore the farmer should turn robber and in turn rob, not those who prey upon him, but others who are innocent, perhaps, of harm to him. Translated into the everyday transactions of the farm, this proposition means, if a thief breaks into your barn, you may even up your loss by raiding your neighbor's pigpen. If your pantry is robbed, then under the ethics implied in so-called business methods

you are justified in robbing your neighbor's smokehouse or hen-house.

Away with such casuistry! Away with such downright dishonesty! If we believe in the principles upon which we made our fight before the people, let us adhere to them; if we have changed our minds since the election upon this great economic question, let us have the frankness to say so, and defend the change as best we may.

No, Mr. Chairman; the cotton farmer is not demanding the protection of the Government. Bred to the idea of largest liberty and free institutions, with a sturdy self-reliance and a simple faith, begotten of daily, hourly struggle with the mighty forces of nature, he stands out in the perspective of our history as the great conservative force of the nation—the largest contributor to her prosperity and payer of her taxes in time of peace, and her surest defender in time of war. What he does ask, and all he asks, at the hands of the Government is a fair field and no favors—"equal rights to all and special privileges to none."

He will scorn the temptation to compromise that doctrine by going into the robber combine. He has already impressed his demand. It is evidenced by the effort to do something, though that something is a fraud and a pretense. This artful device to fool the farmer is most conclusive evidence that the tariff robbers hear and fear the just protests of the farmers. Let us not flatter by the way nor allow ourselves to be entrapped by cunningly devised remedies that are intended to deceive. We reject with scorn the invitation to put our hands in other people's pockets, and indignantly serve notice upon others to keep their hands out of ours.

But enough of this, Mr. Chairman. The tariff cut no figure in the last campaign, and yet Congress is called in extraordinary session to deal with the tariff. We have already aided our opponents too much in emphasizing this question and correspondingly obscuring the real issue of the campaign—the financial question. In 1893 the old parties insisted upon the tariff as the main issue, and sought to read out all who discussed the money question. Yet when the extraordinary session of Congress was called it dealt, not with the tariff, but with the question of finances; and for this trifling with the verdict of the people at the polls the party responsible was overwhelmingly defeated in 1894. In 1896 the controlling issue was the money question, and this Congress is trifling with the verdict at the polls last November, by tinkering with the tariff. Let the Republican party beware! The fate of the Cleveland dynasty awaits them, as it awaits every party that dares trifle with the verdict of the people at the polls. I refuse further to be diverted from that issue. I insist now, as I have insisted upon every stump since 1890, that the farmer's trouble has been brought upon him by the unjust and vicious financial system. The farmer of the South, equally with the farmer of the West, can never be prosperous until the money of our fathers be given back to their children. You may pile up the tariff like Pelion upon Ossa, but it can never bring prosperity to the farmer.

#### The Tariff.

#### SPEECH

OF

HON. JOHN H. STEPHENS,

OF TEXAS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. STEPHENS of Texas said:

Mr. CHAIRMAN: I represent the district in the State of Texas in which the city of El Paso is situated. The smelting of lead ores containing the precious metals is the greatest industry of that city, furnishing employment for hundreds of men. But if Congress places a duty of 1 cent per pound on the lead-bearing ores shipped from Mexico to these or any other smelting works in the United States for treatment, as proposed by paragraph 181 of this bill, it will result in excluding lead-bearing ores from this country. The smelting industry on the Mexican border will be destroyed, thousands of men will be thrown out of employment, and this smelting industry will be driven into Mexico permanently.

Paragraph 608 places ores of gold, silver, copper, and nickel on the free list. Mexican lead ores nearly always contain some of these metals, and by placing a tariff of 1 cent per pound on the lead in



the ores you prevent the importation practically of all ores from Mexico. This policy is, in my judgment, suicidal.

The avowed policy of the Republican party is, first, to protect home industries; and secondly, to furnish a revenue. The duty on lead ores proposed in this bill will not protect, but will destroy this smelting industry. The hearings before the committee preparing this bill show that one company, the Kansas City Refining and Smelting Company alone, annually smelt and refine between 300,000 and 400,000 tons of these ores, of a net value of between fifteen and twenty millions of dollars.

When we consider that this is only one of many companies thus engaged, it will be readily seen that this is a business of great magnitude, and one that employs an army of American workmen at good wages, and one that should be encouraged rather than destroyed. The tariff act of 1890 imposed a duty of 1½ cents per pound on the lead contents of silver ore. Prior to this act the Treasury Department had ruled that lead ores containing silver should be classified as silver ores when the value of the silver in the ore exceeded the value of its lead contents. Therefore nearly all of the lead ores bearing silver coming from Mexico was admitted free of duty. Under this wise ruling and law these great smelting industries were built up, and their erection and success was due in a great measure to the free importation of Mexican lead ores. Silver ores containing lead are known as fluxing ores, and the lead they contain assists in the extraction of their silver contents and also serves to extract the silver contents from dry ores that contain no lead. These dry ores come mainly from the silver regions of this country. Seventy-five per cent of the fluxing ores used in the smelters at El Paso comes from Mexico. But in the United States the proportion of flux ores is less than 25 per cent of the entire silver ores that we produce; hence the silver-bearing lead ores are absolutely necessary for the successful smelting of the dry ores of our own country.

The tariff law of 1890 prohibited the importation of these silver-lead ores from Mexico, at one stroke ruined the business of smelting these ores on this side of the Mexican line, and drove this smelting industry into Mexico. It is estimated that ten millions of American money was invested in Mexico in smelting works as the direct result of this provision of the McKinley law of 1890. My own State lost at least \$5,000,000 of taxable wealth by this unwise law. The smelting plants thus driven into Mexico have an annual output of lead amounting to about 50,000 tons—equal to one-third of our annual product. This pig lead from Mexico has been thrown on the markets of the world in competition with our lead products, and lead bears a lower price than ever before for this reason, and these smelting works employ Mexican labor in Mexico instead of American labor in the United States.

The Wilson bill of 1894 reduced the duty from 1½ to three-fourths of a cent per pound on these ores. This only proved to be a case of locking the door after the horse was stolen. Now, strange to say, the advocates of this bill propose a duty of 1 cent a pound on these ores, which is a prohibitory duty.

I think that I have shown that this provision of this bill will not protect, but will destroy, our smelting industry. In the second place, it will not produce a revenue, for the reason that enough smelting plants will be located in Canada and Mexico to smelt the lead-silver ores now coming to us from these countries.

Lead in Mexico is worth from 1 to 1½ cents per pound. This bill proposes to tax the lead in this ore at 1 cent per pound, and this estimate is on the lead contents of the ore before it is smelted—it will lose 10 per cent of its weight in the smelting process; thus the duty will be raised to \$1 on 90 pounds of unsmelted lead.

It is therefore clear that under this proposed law no Mexican or Canadian miner will ever bring his lead to this country for treatment. The ultimate result will be that a lead trust will be formed in the United States to raise and control the price of this article so necessary to our people.

Why is it that the Republican party, claiming, as it does, to be a friend of laboring people, drives both labor and capital from our country by driving out the smelters? And, again, why place a prohibitory tariff on lead that so many of our people use and must have, and at the same time let in diamonds free of any duty?

Why does this bill put a tariff duty of 2 cents per pound on dressed meats—a product that is controlled almost exclusively by the packing trust, formerly known as the "big four," headed by Armour, at Chicago—thus legislating into the pockets of this trust multiplied millions of dollars annually, and at the same time we find hides, a product of the farmers and stock raisers, on the free list?

Why do we find that most indispensable article, salt, taxed by this bill at 12 cents per 100 pounds in sacks, etc., and in bulk 8 cents per 100 pounds, and at the same time we find musk, mother-of-pearl, raw silks, etc., all on the free list? Does not this bill say to the country plainly that the Republican party intends to take care of the rich classes, while the poor, the masses, must take care of themselves?

I find in yesterday's New York Journal, a paper published in New York City, an interview with Mr. Franklin Woodruff, of Brooklyn, a Republican; which interview shows that at least one Republican in this country has objections to this bill. I ask that this interview be read as part of my remarks:

[From New York Journal, Sunday, March 23, 1897.]

WOODRUFF EXPOSES THE SALT RING—SAYS DINGLEY TARIFF IS ARRANGED IN THE COMBINE'S INTERESTS—ROBBERY, NOT PROTECTION—BROOKLYN MERCHANT AND REPUBLICAN, HE WILL APPEAL TO THE SENATE FOR FAIR PLAY—A MENACE TO OUR SHIPPING—HE POINTS OUT THAT THE CONSUMER WOULD BE MULCTED AND VESSEL INTERESTS SERIOUSLY MENACED BY THE PROHIBITIVE RATES OF THE BILL.

Franklin Woodruff, the Brooklyn importer of salt, who has just returned from an unsuccessful mission to Washington in the interest of the merchants of the United States who desire to have salt retained on the free list, will make another trip to the capital this week in the hope that he may be able to have the schedule amended in the Senate. He says he sees ruin for many merchants if the stiff tax on salt imposed by the Dingley bill is retained. This has more significance when it is made known that Mr. Woodruff is a staunch Republican and a protectionist.

"The salt tax is an outrage," said Mr. Woodruff to a Journal reporter. Mr. Woodruff used an adjective which need not be repeated here, the better to express his indignation. "This tax will be most disastrous to shipping interests."

"As it is now, our American vessels in many foreign ports, unable to secure return cargoes, bring back salt, but with a duty this will be impossible and they will have to return in ballast. This tax has been put in the Dingley bill simply to enable New York and Michigan salt manufacturers to raise prices and cheat the consumer. I think I am warranted in the statement that the profits now of one salt company located in western New York are unparalleled except by those made by the salt makers in Syracuse during the civil war and up to the year 1872, when a high duty, a premium on gold, and the absence of vigorous or extensive competition gave them an opportunity of which they availed to make enormous profits. They then claimed as stoutly as now the need of protection against foreign salt."

"The sea-water salts, which these manufacturers want barred out, are for the most part brought in American vessels which carry cargoes from our ports to various foreign places, and often depend upon the freight on a return cargo of salt to warrant taking the outward business, which otherwise would be taken by foreign vessels not caring for return cargo. Now, these domestic manufacturers, who, by reason of geographical situation, compete with foreign salt, want to strike a blow at American vessel interests in order to give them a monopoly and a chance to squeeze the consumer."

"But, if I judge rightly, the game won't succeed, as I am advised that there is hope that the Senate will not countenance this grab and will meet our demands for free salt. The Ways and Means Committee of the House seems lost to all reason, and there is no hope there, and the House will follow the committee's bill undoubtedly."

"I make bold to say that salt in this country is protected, in my judgment, to the fullest extent necessary to make the production of it profitable, and that any tax now imposed upon the foreign article would be to simply enable the salt ring in this country to levy a contribution unjustly and unwisely upon different sections of the United States. Transportation fully protects the salt produced in Michigan and the farther Western States, and very largely protects the salt interests in the interior of New York. Yet the Dingley bill provides for a duty of \$1.00 per 2,000 pounds, or more than the present price of a ton of common salt in Michigan, and 80 per cent of the present price of common salt in New York. I ask any fair-minded man, is such protection or any protection necessary in view of these figures?"

"Suppose the bill goes through without amendment and becomes a law, what will happen?"

"It will be a terrible blow at our shipping interests. What's more, the Republican party will be defeated at the next Congressional election, and there will be no more chance of the election of a Republican President in 1900 than that I will be able to fly to my home in Brooklyn. The people are for protection, but not robbery."

Mr. Woodruff has enlisted in the fight against a tax on salt with all the great packing interests in Chicago, Kansas City, and the West, the New York and New England importers and shipping interests generally along the Atlantic coast. These will send delegations to the Senate next week to place before the Senate Finance Committee facts and figures to aid them when the bill reaches them from the House.

I now wish to call attention to the last proviso in this salt paragraph. It reads as follows:

Provided further, That exporters of meats, whether cured or smoked, which have been cured in the United States with imported salt, shall, upon satisfactory proof, under such regulations as the Secretary of the Treasury shall prescribe, that such meats have been cured with imported salt, have refunded to them from the Treasury the duties paid on the salt so used in curing such exported meats in amounts not less than \$100.

This provision was intended to give and does give the meat trust free salt for curing their exported product. Thus this free salt is given the millionaire packers, while the farmers of our country must pay two prices for their salt, for the reason that the Treasury will not refund less than \$100, and not one farmer in a million cures enough meat for the tariff on the salt used by him to amount to \$100 in value. A more outrageous provision was never before placed in a tariff bill in this country. On the one hand it protects the millionaire packer against foreign competition by placing a duty of 2 cents per pound on all imported meats, and on the other hand it gives him free salt to cure his exported meats with.

These protected meat barons have for twenty years, by forming pools, controlled the price of every steer, sheep, and hog raised in the South and West. They have kept the cattle industry in my State, Texas, by the throat for many years, and have exacted a tribute from us of at least \$5 per head on every steer raised on our western plains. They have now gone into politics and laid a heavy tribute on salt, amounting to millions of dollars, and at the same time secured free salt for curing their exported meats. This bill has been framed by the meat, lard, and other trusts, for the purpose of robbing, in the name of the law, the producer of raw

material on the one hand and the consumer of the product manufactured by these trusts on the other. Between the upper and nether millstones, the trusts, through the Republican party, will reduce the people of this country to a condition of industrial servitude. Not content with the desolation produced by this tariff robbery, these enemies of the toiling millions (the Republican party and their goldbug allies, known as the Cleveland Democrats) are seeking to prevent the remonetization of silver, to make gold the only and the permanent standard of values, to take out of circulation the legal-tender United States currency and fund it into interest-bearing bonds, and give national banks the right to issue paper money.

If the trust and money powers, led on as they are now by the Republican party, can carry these, their pet designs, into execution, the laboring and producing millions will be forced into a slavery far worse than the peons of Mexico have ever been subjected to. I now warn our Republican oppressors that whilst the mills of the gods grind slowly, they grind exceedingly fine, and in the near future I expect to see the laborers and producers of this country, by the power of their ballots, drive from power the Republican party and their cormorant allies.

### The South and Its Opportunities.

#### SPEECH

OF

HON. JOHN L. McLAURIN,

OF SOUTH CAROLINA.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. McLAURIN said:

Mr. SPEAKER: The provisions of this bill, taken as a whole, disclose such a want of fairness toward the South that a detailed statement, as far as possible, of the condition, rare opportunities, and vast possibilities of that section appears necessary.

As a rule, the people of other sections know but little concerning the real situation in the South, and are apparently willing to draw conclusions from a certain amount of misinformation, obtained through prejudice or error. If I can successfully place before them the true condition of affairs, and at the same time dissipate whatever of error or prejudice that may have obtained, I shall deem myself extremely fortunate.

For more than thirty years past the South has been making a courageous and desperate struggle against great odds. It was compelled to meet the destruction and disasters of war, to face new business, labor, and social problems, and in addition rebuild and readjust its entire economic fabric to conform to radically changed conditions.

During the first twenty years of this trying period the people of the South struggled almost unaided and alone.

Business investments were denied, commercial credits were difficult and uncertain, and immigration was almost at a standstill.

In fact, the unprecedented growth of manufacturing industries in the North and East, together with the rapid development of the great West, caused, during these twenty years, the broken and almost ruined South, in a business sense, to be neglected.

Meanwhile her people, with heroic devotion, continued the work of building up the waste places and stimulating lines of productive industry.

All labored, all economized, and all bent their energies to restore their beloved Southland to its proper position in the nation. Slowly, but surely, a forward movement obtained. Hard work, rigid economy, and a determined spirit at last turned the tide, and the South began to attract the attention of the business world. Immigration began slowly and cautiously. The timidity of capital was overcome, investments in various enterprises were made, and a new era of progress was inaugurated. The dark clouds which had hung so low and threatening over this beautiful and fruitful section began to lift, and the sunshine of a brighter future forced its way through the rifts. One morning the news was flashed throughout the country that a young Georgian, filled with love for his section and her people, burning with a desire to see her wonderful opportunities improved, had stood amid the brains and enterprise of New England and declared there was a New South, and in the name of sound business judgment and safe finan-

cial investments demanded that her advantages, opportunities, and material interests should be recognized.

With an eloquence never surpassed, with facts and statements incontrovertible, Henry W. Grady electrified and astonished his hearers at the progress and standing of the South. While making no apologies for the past, but assenting loyally to her traditions and memories, he proclaimed a New South anxious for development, ready to welcome immigration, and prepared to protect all in life and property. Throwing aside sentiment, casting beneath his feet all prejudice, he manfully declared that the South should henceforth be considered a part of our commercial system; that she had shown herself competent, had proven herself worthy, of the consideration of those who held the power to develop her incomparable resources. It was a wise act, nobly and eloquently performed, and earned him the love and everlasting gratitude of every true Southern heart.

With far less eloquence, but with all the earnestness I possess, I desire to reiterate the sentiments of the lamented Grady and supplement his glorious efforts with the feebleness of my own. Mr. Speaker, the longer I remain in public life, the more I learn of other sections, the more firmly I am convinced that the South should strive to extend her material interests. It is a duty she owes to herself, to the balance of the nation, and to the generations yet to come.

Some may contend that such sentiments are sordid and do not appeal to the nobler instincts of our people. To all such I would reply that disguise it as we may, deprecate it as we should, yet the fact remains that the surest passport to individual independence, with much that this term implies, lies in a well-filled pocket-book. Love in a cottage, with one's neighbors luxuriating in a palace, is usually a myth. Contentment with a crust of bread, while others are living upon the fat of the land, is a delusion, and the individual independence said to come from poverty and want is seldom, if ever, met. The world is becoming more practical and hardheaded every day, and as a result theory and sentiment are retreating before its aggressive advance. To get on, push along, and do something, no matter whether it be in religion, politics, business, science, or upon any other lines, are just now the standards by which men are judged.

In my opinion, the future happiness and contentment of the people of the South will be measured by the increase or decrease in the value of their material interests.

From the Potomac on the North to the great Gulf on the South, and stretching from El Paso on the Rio Grande to Cape Henry on the Atlantic, lies what is usually termed the South.

Between the blue grass of Kentucky and the orange groves of Florida, the vast plains of Texas and the pine forests of the Carolinas, is found an expanse of territory which for fertility of soil, variety of productions, and kindly climate can not be duplicated in any other portion of the globe. There is scarcely a tree, plant, or cereal that can not be grown here, and the wants of man are more nearly met by native production than in any other section of the world.

For the past decade this section has made apparently rapid strides in developing its resources, but this development is not a trifle of what should have been accomplished. Yet it discloses what can be done even under adverse circumstances, and points to the magnificent results which should await the future.

Business sentiment is rapidly changing toward the South, as the following extracts will show:

The New South will be less celebrated in ballads, but better known in the markets and exchanges of the world. She has roused herself to grapple with difficulties which no Northern man can fully appreciate without a visit to her soil. It would be impossible to exaggerate the prostration which prevailed at the close of the war. Her citizens were unaccustomed to labor, her laborers unfitted for citizenship. Her capital had been consumed and her credit had disappeared. But her independence and courage were indestructible. She asked no sympathy and she craved no indulgence. She set herself painfully to learn the hard lesson of toil and economy, and slowly but surely the new life is rising from the ashes of the old. In her heroic struggle she will have the love and admiration of every generous soul, and our children will yet see wealth and abundance flourish where their fathers saw the ruin, desolation, and havoc of war.—*Interior, Chicago.*

The South is a vast country with the best climate in the world, with conditions of health which are absolutely unparalleled, with vast forests untouched, with enormous veins of coal and iron which have yet not known anything beyond their original condition, with soil that under proper cultivation for little capital can support a tremendous population; with conditions in the atmosphere for comfortable living, winter and summer, which exist nowhere else in the country.—*Chauncey M. Depue.*

The New York Financier, one of the ablest financial journals in this country, recently declared:

The marvelous possibilities of the South as a manufacturing section are beginning to attract renewed attention. The trend of capital is undoubtedly in the direction of an area the northern boundary of which is south of Mason and Dixon's line.

To furnish in detail reasons why the South should make material industrial advances would require more space than can well be spared here. But aside from the tangible evidences existing in the shape of new cotton mills, new iron and steel industries, and the certain reflection of abundant prosperity displayed in the many municipal improvements now underway in nearly every town in the South, there are reasons equally weighty for the assertion



that these are but the forerunners of a steady growth in all lines of human progress in that section. In the first place, the South is under an era which could not have existed prior to the war. It invites development, and its corollary advantages in the way of climate and natural resources add to the weight of its invitation.

It is not generally known that the largest percentage of native-born population to-day is found in the South. That fact has been overlooked in the mad rush which made the growth of the West the wonder of the world.

In the South capital will encounter none of the adverse features to which it has been subjected elsewhere. It finds firmly established government, a respect for law and order, and above these inducements an ample opportunity for profit. The natural resources of the South are enormous, and the opportunities for converting its products into finished materials are not equaled in any other portion of the country. The climate is so equable in character that living expenses are less than in the North, while at the same time the standard of living is actually raised. The natural inference is, therefore, that well-paid, contented labor will be the rule, and the disastrous strikes which have interrupted the peaceful progress of our Northern industrial centers will not be met with in constantly recurring periods. We have already seen that the South can compete successfully with the North in almost any branch of manufacturing, and that the advantages on its side are so great that the removal of certain manufacturing establishments to this more favored spot is already assuming formidable proportions. There is an evidence of permanency about this more recent migration that has been lacking heretofore, and it augurs well for the future.

#### Another financial paper says:

The securities offered from and in the South now enjoy favor in the eyes of the investor of the North. The indicator points to the list of investment securities of the South generally as desirable, and we have every reason to believe they will continue to grow into popularity.

The reasons for their being desirable are manifest:

First. Considering the earning powers of the basis of Southern securities, values are low; not inflated as in other sections.

Second. The progress of development in all branches is assured; hence prices will not fluctuate, but an increase is inevitable.

Third. The channel for live investments has been in other directions. The investor's attention has not been directed to the South until recently; hence making it practically a new field.

I could multiply such extracts by the hundred, but give the above at this time to show the more recent trend of business thought toward the South.

At this point I desire to present some statistics regarding the resources and productions of the South. The census shows there are 183,000,000 acres of unbroken forests in the South, which to-day represents the reserve timber lands of the nation. This timbered land, besides vast areas of pine, contains our country's supply of walnut, cherry, cypress, oak, hickory, and other valuable woods. Already the value of these timbered forests is being appreciated, and sawmills, shingle and planing mills, furniture factories and other woodworking enterprises are springing up throughout that section. The manufacturers of furniture, I am informed, are very successful, and this line of industry is rapidly increasing.

The coal and iron resources of the South have been more thoroughly advertised than perhaps all other advantages combined, and yet their extent, low cost of mining, and extremely close connection are imperfectly known. I am told that in some localities coal, iron ore, and limestone are found close together in the same range, a condition that exists nowhere else in the world. Granite, marble, and building stone abound in great variety. Tennessee, Georgia, Virginia, and the Carolinas are especially rich in this material. In fact, some of the finest specimens found in our beautiful new National Library came from the Southern States. Phosphate rock is found in great abundance and richness, and the manufacture of fertilizers is a large and growing industry. In no other section are water powers so abundant or available located. In the Carolinas alone there are water powers sufficient to run all the machinery in this country. Facilities for transportation, both by rail and water, are good and growing better each year, and the time is near at hand when the best paying properties in this line will be found in the South.

The people of the South are religiously inclined, and churches are found everywhere. Colleges, academies, and other institutions of learning are scattered freely throughout the South, and a strong, progressive system of public schools is found in every State. Agricultural colleges are especially fostered and are being carried to a high state of perfection and usefulness. People from other sections will find our educational facilities not disappointing, and our standard of morals fully up to the average of any other portions of the country. Our system of State governments are quickly and easily learned, our land titles are perfect, and our taxes unusually low. In fact, the South, through enforced economy, has reduced the expenses of State administration to a minimum.

While the productions of the South are in some lines enormous, it must be remembered that under favorable conditions such productions could be extended almost without limit. That they are not increased is owing to a want of capital mainly. The cotton crop of 1896 amounted to 9,837,000 bales, or 82 per cent of the total production of the world. This is the largest export crop of this or any other nation, and brings more money from abroad than all other agricultural products combined. The total production of cotton since 1790 was worth, reckoned at the price in gold each

year, \$14,908,558,430. The 81,124,190,650 pounds exported since 1795 brought to our shores \$10,400,000,000. The South holds a monopoly in the production of the best and most desirable cotton, and if permitted to manufacture it would make this the richest nation on earth. The cane-sugar industry is also limited to the South, and its production should be increased many times. We produced last year 729,392,561 pounds of sugar and 37,617,076 gallons of molasses, but imported 3,574,510,454 pounds of sugar and 15,075,879 gallons of molasses. In my opinion the production and importation of sugar discloses a condition not very creditable to the business ability of our people. With an abundance of land suitable for the production of sugar, I can see no reason why investments in that line should not prove remunerative. It presents a fine field for American pluck and energy.

Rice is another product of the South, of which we produced last year 168,665,440 pounds and imported 219,564,320 pounds. Yet there are vast areas of rice land inviting development and cultivation. Here is another opening for capital, with an almost assured profit. All the cereals can be produced in the South at a profit, as agricultural statistics show. Fruits of all kinds are produced easily, and generally all who have made it a business have been amply rewarded. Stock of every description do well in the South and are raised as a rule with profit, since there are no long severe winters through which they must be carried at great cost.

A recent traveler through the South declared:

The South is the finest farming country of the Union. It is the richest in mineral deposits; it has the best timber lands on the continent; it has the most genial and healthful climate; it is well watered by springs, creeks, rivulets, and rivers; it has an abundance of water powers; it has thousands of miles of navigable waters; it has no superior as a fruit-raising section; it has cheap lands for the farmer; mineral lands for the miner; timber for the lumberman and woodworker, and golden opportunities for all classes.

Our lands are cheap and our markets, as a rule, are convenient. I clip the following from a Northern agricultural paper:

Unquestionably the South is the attractive section of the United States for the poor man. The man now living on a rented farm in the overcrowded portions of the North has great difficulty in getting a "farm of his own," while if he comes South it is within the power of almost everyone to secure a place and be in position to build up and enjoy a home, leaving something for his children to inherit.

In taking up the manufacturing opportunities in the South, I will quote from an article written by Mr. M. V. Richards, land and industrial agent of the Southern Railroad, which shows much thought and experience. He says:

There is no section of our country better adapted to manufacturing industries than the South. It has all needed raw materials in the greatest abundance and of the best quality. Its iron-ore fields are practically inexhaustible, and they embrace all varieties of ores, and many of them are of surpassing richness. It has coal enough to last for generations, even with the most prodigal use. It has limestone for reducing its ores and every facility for making a first-class quality of pig iron as cheaply as can be done in any part of the world. It has also been demonstrated that steel making is quite as easy and equally profitable as iron production. It has also extensive forests of timber, with varieties suited to every kind of woodworking industry, and any article that has timber for its raw material can be manufactured in the South and from materials that have no superior anywhere.

In building-stones it has granite, marble, and sandstone, all of excellent quality and in unlimited quantities, as well as clays for pottery and earthenware, porcelain, and brick clays, and glass sand, ocher for paint, etc.

Its forests produce tar, pitch, turpentine, and rosin, while potash is readily and easily made in many places.

It has also been shown that cotton manufactures are more profitable in the South than in New England, and Southern mills have been paying double the amounts in dividends than Eastern mills paid. The advantages in this respect have been so clearly shown that Eastern capital is largely flowing into the South to be employed in this industry. And why should it not be so? Cotton may be grown right by the side of the mill; the water-power is at hand to furnish the motive power to drive the machinery; the timber and other building materials are easily and cheaply obtained to construct the factory; the charges on handling the cotton incident to shipment are avoided, and even if the same wages were paid as are paid to New England operatives, the savings alone alluded to would constitute a handsome profit.

And what is true in regard to cotton manufacturing holds good in regard to the manufactures of wool. There are millions of acres of land in the South admirably suited to sheep husbandry. These ranges afford pastureage for the greater portion of the year, and the climate is so propitious that little care is needed, and sheep raising has paid handsomely to all who have engaged in this business. Sheep and wool are two of the world's staples, and when the sheep ranch and the woolen mill are brought together, as they can be all over the South, why should not these branches of industry go hand in hand equally well with cotton raising and manufacturing? The same possibilities are open to both, and if there be any advantage, it is in favor of the woolen industry. Sheep raising has proved successful in other sections where it has had a fair chance and where both mutton and wool had to be exported to find a market, but where the woolen mill can be successfully put up and operated at the very door of the sheepfold, as it can be in the South, this industry would succeed beyond any reasonable doubt or question.

All branches of industry can be carried on cheaper in the South than in the North or East, for the reason that the cost of living is much less. Food supplies are cheaper and much more abundant; the climate is milder, requiring less fuel and clothing; the raw materials abound in all sections, and are conveniently located for using, and the facilities are unsurpassed for converting the raw material into the finished product at a minimum cost.

It is to be remembered that the South is nearer to the people who consume manufactured goods than any other section; that it has superior transportation facilities, both by rail and water; in fact, nature has given it many advantages, and where these are utilized there can be but one result—success, ample and abundant. With all her native sources of wealth fully developed, the South will be the leading and richest section of the country, both in agriculture and mechanical industry.

The following statements, taken from an address by General Longstreet, show the comparative growth of manufactures in the South:

The value of the manufactured products of the South in 1880 was \$457,454,000. In 1890 it was \$917,580,000—a gain of 100 per cent. In 1889 the factory hands in the South received \$75,917,000 in wages. In 1890 they received \$222,115,000. In 1880 the South had invested in cotton manufacturing \$21,978,000; in 1890, \$81,100,000; and now about \$120,000,000. In 1880 the South had \$3,500,000 invested in the cottonseed-oil industry. It has now more than \$30,000,000 so invested. The railroad mileage of the South has been increased since 1880 more than 25,000 miles, at a cost in building new roads and in the improvements of old ones of over \$1,000,000,000. In 1880 the South made 307,000 tons of pig iron. In 1890 it made 1,702,088 tons. In 1890 the South's output of coal was 6,000,000 tons. At present it is at the rate of 30,000,000 tons per year.

While these comparisons show a large per cent of gain, yet the aggregate is decidedly meager for the advantages presented. The Manufacturers' Record comes much nearer the real situation:

Every man in the South must realize the importance of factory development. The manufacturing advance of this section is scarcely great enough yet to enable our people to see the value of industrial interests. Think of a region having 600,000,000 acres of land, stretching from the Potomac to the Rio Grande, admittedly having more natural resources of coal, iron, cotton, timber, water powers, and other elements of successful manufacturing than any other equal area on earth—with a population of 20,000,000—and yet having \$300,000,000 less capital invested in manufacturing than the one State of Pennsylvania—think of this and then imagine, if you can, the activity of industrial development of the next few years, with a field for expansion to which no limit can be set.

During a recent hearing before the Maine legislature on petitions for a reduction of the hours of labor in the factories the following statements were made concerning the cotton mills of the South as a reason for not acting upon the petitions:

The advantages of the Southern cotton mills are the low cost of labor, nearness to the cotton fields, and low taxes. The only disadvantage is the extra expense of machinery, due to the cost of getting it there. The people's wants are not as great as with us, and they never will be. They are perfectly contented to live for less, and their clothing, food, and fuel cost less than with us. Many of the mills give tenement rent free to their operatives, but when charged for, the rent is usually 25 cents per room per month. The houses are set on posts, usually all open underneath, and contain from two to four rooms. They are not plastered and can not cost more than \$200 or \$300. In such houses it would be impossible to pass a New England winter.

You will notice the tendency to build mills of late in isolated places, away from the cities and away from neighboring mills. The object of this is twofold, to get a supply of cotton and a supply of help. The more mills that are built under these conditions, the more severe will be the Southern competition.

This matter of labor enters into the construction of the mill as well as its management. Bricks for the mill are made on the spot, they are laid by cheap labor, and the timber is bought for less than the Northern mill can buy it; so that the whole cost of the building is much less South than North.

Taxation is a matter of no small importance. I have in mind one of the best cotton-manufacturing plants in the country, costing \$800,000, which is exempt from taxation for ten years.

I have referred to the nearness of the mill to the cotton field as an advantage. In some sections the mills already take more cotton than is raised in the vicinity, and whatever more than this they buy they are on the same plane as the Northern mill. But I have referred to the tendency, of late, to isolate the mills so that under such conditions an ample supply of cotton is obtained. I have seen mill after mill in a field with acres and acres of cotton growing around it, and under such surroundings the conditions must be exceedingly favorable. Not only do the mills buy cotton for less where there is a surplus raised in the vicinity, but I am told they buy cotton one grade better than their Northern competitors, which is, of course, equivalent to an additional reduction in price.

Now, a word as to the success of Southern cotton mills.

They are managed by very able and active men, and are conservative in payments of dividends, so that their future is as well taken care of as the future of the best-managed mills North. While many of the managers are from the North, there is a constantly increasing number of Southern men coming into the business, and I am informed that there are a great many young men of the best class learning the business from beginning to end.

During times of depression such as that of 1893 and the present the modern mills in the South have run without curtailment of production. By this I mean that the Southern mill will of course make all the money it can, but that when it comes a question of price the Southern mill can run at a profit when the Northern mill is running at a loss.

The statement concludes with the following:

There is a large army of help in the Southern cotton mills becoming more and more skilled every day, and I believe that the time is not far distant when this section will be heard from with its fine goods as it is now with its coarse.

I want to say just here that the South has the best labor, white and colored, in the world. There are no strikes, riots, lockouts, or any other labor disturbances. Our people are willing to work for reasonable wages and always seek to give value for what they receive. The war between labor and capital does not exist in the South. Labor is plenty and the climatic conditions are such that the workingman can support himself and family upon much less than a similar family in the North must have to be equally as comfortable. I speak of both farm and factory help.

It is with considerable local pride that I insert a portion of Congressman LOVERING's recent speech on the tariff. Mr. LOVERING is a large manufacturer and has large interests in the South.

The portion quoted was printed by the State, the leading daily in Columbia, and favorably commented on:

I want to tell Mr. McLAURIN that everything is not rose-colored in Massachusetts to-day. I want to tell him and the other gentlemen from the South something which perhaps they do not know about manufacturing in their own States. Within the last two years the increase of spindles in the Southern States has been 382,746, while in the whole of the New England States the increase has been only 671,223. In the South the increase has been 30.5 per cent, while in New England it has been only 5.32, and when you recollect that it would take in that time at least 2,000,000 spindles to make up for the wear

and depreciation of our machinery you will see that you are going ahead much faster than we are. I submit the following table for publication in the Record:

Number of cotton spindles in New England and the Southern States in 1894 and 1896.

States.	1894.	1896.
NEW ENGLAND.		
Connecticut.....	1,033,955	1,045,907
Maine.....	931,110	916,304
Massachusetts.....	7,190,480	7,790,642
New Hampshire.....	1,290,600	1,308,897
Rhode Island.....	2,070,665	2,104,990
Vermont.....	102,300	100,583
Total.....	12,601,105	13,273,728
Increase.....		+672,623
SOUTHERN STATES.		
Alabama.....	170,150	201,011
Arkansas.....	9,148	9,448
Georgia.....	550,510	791,238
Kentucky.....	50,043	58,719
Louisiana.....	58,800	62,152
Mississippi.....	34,484	32,358
Missouri.....	17,014	21,932
North Carolina.....	656,480	610,474
South Carolina.....	620,883	597,185
Texas.....	60,774	48,094
Total.....	2,200,345	3,143,191
Increase.....		+882,746

\* 5.32 per cent increase in two years. +30.63 per cent increase in two years.

I want to tell the gentleman from South Carolina something which he probably does not know. There are situated in his own State some of the very best mills in the world. If I were asked to-day where in all our country was to be found the best planned, best ordered, and best equipped mill running in low numbers—aye, and at the best profit—of any mill in America, I would point to South Carolina.

What is true of cotton is true also of woolen mills, since I am informed that the largest woolen mill in America, if not in the world, is located at Knoxville, Tenn. Other industries, such as iron and steel, wagon and carriage factories, tanneries, etc., I can not describe in detail. I sincerely believe, however, that the time will come when Columbia, Atlanta, and Birmingham will be to America what Birmingham, Manchester, and Leeds are to England. When that day dawns, the supremacy of Fall River, Lawrence, and Lowell will be lost forever, and Charleston and New Orleans will be rivals of New York and Chicago. I wish to say further, if the science of mining is ever perfected so that the gold in Georgia and the Carolinas can be separated and secured, there will be as wild a rush for the mines in these States as there was for the gold fields of California. Without disparagement to any other Southern State, but to gratify a feeling of pride and at the same time discharge a duty I owe to those who have both honored and trusted me with their confidence, I desire to call attention to my own native State, South Carolina. It contains 34,000 square miles of as fertile land as the sun shines upon, and 1,151,000 of as kind, brave, and hospitable people as can be found on earth. Its geographical location brings it a genial, healthy climate, luscious fruits, beautiful flowers, bountiful harvests, and all the comforts of life which attach to such a favored region. We have what is known as the coast section, the middle section, and the Piedmont country, each adapted to particular lines of production. Our State is traversed by numerous rivers, many of which are navigable.

It is otherwise well watered, and the annual rainfall is abundant for all agricultural purposes. The soil, as I have said, is fertile, easily cultivated, and noted for its productiveness. All the cereals, grasses, vegetables, fruits, vines, trees, and flowers incident to a temperate and semitropical climate grow luxuriantly. All the staple crops, such as wheat, corn, oats, rye, barley, potatoes, etc., thrive equally well as in any other sections of the country, as statistics show. In fact, to the Northern man unacquainted with the South, the possibilities of production in my State seem exaggerations. I have myself made a crop of oats, cut them the 1st of June, planted corn and pease, and thus harvested three crops the same season from the same land. I have also made a fair crop of cotton after wheat and rye.

In 1890 the American Agriculturist offered a prize of \$1,000 for the largest yield of corn from a single acre, and Mr. Z. T. Drake, of the county of Marlboro, secured it. Mr. Drake gathered 255½ bushels of corn from 1 acre. This seems impossible except for the fact that Mr. Drake gathered two crops the same year. He planted his first crop in season, and by the time that had matured he had a second crop ready to cultivate between the rows. In this manner he made two crops of corn in one season, and secured the premium. Marlboro County, I may say, is one of the banner agricultural counties of the South.



In 1895 the News and Courier, of Charleston, S. C., with its usual liberality and foresight, offered a prize for the best all-round farming in my State. This prize was also secured by a citizen of my home county, Mr. John C. Fletcher. With but 100 acres under cultivation Mr. Fletcher produced at market prices \$3,726.45 worth of farm products, ranging from 48 bales of cotton to 400 dozen eggs. Let those who are seeking new homes remember that in South Carolina nearly \$4,000 in various farm products were made on 100 acres of land. In my opinion, a State with such a record should not want for the very best class of emigrants. Farmers out West have become rich chiefly through the increased value of their lands. Now, when the manufacturing industries increase in South Carolina, population will increase also, and an increased value in our lands will surely follow.

The crops of 1893—the figures are taken from agricultural reports—were: Wheat, 1,732,824 bushels; corn, 29,261,422 bushels; oats, 4,767,821 bushels; rye, 23,641 bushels; potatoes, 349,264 bushels; cotton, 747,471 bales; rice, 30,338,895 pounds (this is about one-fourth of the product of the entire country, in which respect South Carolina stands second); tobacco, 222,898 pounds.

South Carolina has 115,008 farms, 5,255,237 acres of improved land, and 7,929,415 unimproved. The value of its lands and farm improvements is \$99,104,600; value of farm implements and machinery, \$4,172,263; livestock, \$16,572,410; estimated annual value of farm products, \$57,837,985; 59,889 horses, 86,306 asses and mules, 268,293 neat cattle, 494,696 swine, 79,421 sheep (producing 157,707 pounds of wool); the product of milk was 23,833,631 gallons; butter, 5,737,557 pounds, as well as 690,478 bushel of cowpeas, 8,018 bushels of beans, and 42,767 bushels of peanuts. From this it will be seen that South Carolina, as an agricultural State, makes an excellent showing, and that it is admirably adapted for all who desire to engage in farming.

Apples, pears, quinces, plums, peaches, nectarines, apricots, and cherries grow in abundance, and all along the 300 miles of coast oranges, figs, lemons, olives, and pomegranates are raised in perfection. Strawberries, raspberries, whortleberries, and blackberries grow spontaneously and in such quantities that they are largely exported to Northern markets.

Grapes grow wild in many sections, and can be successfully cultivated in all portions, and wine making has every natural facility to make it a leading and profitable industry. The forests are full to repletion of the most valuable timber, there being 10,000,000 acres alone of superior yellow pine, which produces immense quantities of lumber, tar, pitch, turpentine, and rosin. There are also the magnolia, sweet and black gum, white-water, red, black, and live oak, black walnut, elm, hickory, maple, sycamore, ash, cypress, chestnut, beech, locust, persimmon, dogwood, poplar, etc., in fact, about all varieties suitable for all the purposes of the lumberman, shipbuilder, builder, and manufacturer, and all in great abundance.

There is no lack of mineral wealth in South Carolina, as is well known to all who are familiar with the resources of the State.

In building stones are granite of beautiful colors, and porphyritic granite resembling the Quincy granite, white and variegated marble, gneiss for flagging purposes, white feldspathic sandstone, buhrstone, flagstone, limestone, red and yellow ocher, and porcelain clay of superior quality. Experts pronounce the glass sands equal for glass and crystal ware to that from which the justly celebrated Staffordshire ware is made. The limestone of the Blue Ridge is much used as a fertilizer and admirably answers this purpose. There are also the richest deposits of bone fertilizers to be found on the continent. These deposits extend over many miles, and range in thickness from 6 inches to 12 feet, and in some cases from 500 to 1,000 tons are found on a single acre. There is a large amount of capital invested in the development of these deposits, and the output in 1870 was valued at \$2,500,000. There are also rich deposits of manganese, and potash can be cheaply made in the forests. Among other sources of wealth is the turpentine industry. There are many turpentine stills in operation, and the value of the annual product of this article of commerce, which is used for so many purposes, is \$3,000,000.

There are no lack of educational facilities and advantages, both as regards public schools and higher education. Dr. John De La Rue in 1796 established a school which was to provide twelve boys and as many girls of the poorer class with a school and a home free of charge. This is said to have been the first manual-labor school in the country. There are also a number of colleges and seminaries, among which may be mentioned the South Carolina College, State Normal School, Columbia Female College, Presbyterian Theological Seminary and Methodist Female College at Columbia, and Charleston, Erskine, and Clemson colleges, and both the Methodists and Baptists have a theological seminary. Intending settlers and home seekers need have no fear that their children will not find the most ample provision for obtaining a good education.

Provision for the care of the unfortunate has not been over-

looked, and there are institutions provided for the deaf and dumb, blind, lunatics, and for all others for whom the State should care.

South Carolina is a region of many possibilities. It will produce almost any and every thing in the line of grains, grasses, fruits, vines, and vegetables that can be grown in a temperate and semi-tropical climate. It has an abundant supply of the best quality of timber, suitable for all wood workers and wood users. It is rich in mineral wealth, largely yet undeveloped, which, under proper conditions, could make it a manufacturing State of the first rank. It possesses many valuable water powers, which, if utilized, would be ample for all purposes for decades to come. Its agricultural resources would furnish food for millions of people. It has a climate at all seasons which is at once delightful and salubrious. It has a pure, healthy, and plentiful water supply. It has good lands at low prices, waiting only to be cultivated to respond with bountiful crops and generous harvests. It offers ample facilities to all who desire an education to fit them for any station, business, or profession, and it holds out a friendly hand to all home seekers who will cast their lot here and make for themselves a home in one of the best regions to be found anywhere. And it says to all who are contemplating a change of location for farming, manufacturing, merchandising, or other useful vocations, "Come and see our advantages."

As to advancement in manufactures, the State of South Carolina ranks among the first in the South. The census shows that the increase in South Carolina during the period from 1870 to 1890 was very marked, being as follows: Capital invested in these industries in 1870, \$5,400,418; in 1890, \$29,276,261, or nearly 600 per cent increase. In number of hands employed the increase was over 400 per cent, in the amount paid for wages, 350 per cent, and in manufactured products, \$31,926,631, or about 350 per cent. Since 1890 all manufacturing industries have increased very rapidly. The Charleston News and Courier, one of our ablest Southern journals, recently said:

In 1877 the Graniteville, Piedmont, and a few scattered mills stood for South Carolina's cotton industries. To-day there are more than a million spindles at work in this State. These million spindles represent fifteen to twenty million dollars, and that is not all. This already colossal business requires twelve million to fifteen million dollars more to purchase cotton, provide commercial capital, pay wages, etc. Of course this \$12,000,000 or \$15,000,000 of money has to be drawn from the large money centers, North and East; it could not be obtained in our own State. This business statement is made to show that, with all the marvelous advance in this single branch of business, we are compelled to have outside capital to successfully conduct it. Considering this situation, is it not plain, first, that this large business, distributing its blessings through every one of its many centers of work and benefit, should have every good influence that the State and our people can give to it? Second, that this generally accorded approval and cooperation, both by public and private influences, must lead directly to such encouragement as will yearly expand the industry, and consequently enrich South Carolina and her citizens? For illustration, a bale of raw cotton is worth 7 cents \$35; made into cloth it is worth more than three times as much, and the greater part of this difference in value goes to those who spin and weave, and through these many thousands it goes into general circulation.

For the purpose of aiding such laudable efforts as this paper is making I have prepared this speech.

Our principal manufacturing cities in South Carolina are Columbia and Spartanburg. Columbia, the capital of our State, is beautifully situated and rapidly becoming an important commercial center. Eight railroads concentrate here and bring cotton from all parts of the State to the very doors of her mills, some of which are themselves almost surrounded by cotton fields. It is a curious fact that the Granby mill was built in a cotton field, and its brick foundations inclosed a patch from which cotton was picked while the walls were going up. The Columbia Canal, built by the State at a cost of nearly \$1,000,000, furnishes one of the finest water powers in the South. It is estimated at over 20,000 horsepower, with more than 12,000 developed. A power plant developing 8,000 horsepower has just been completed for electrical transmission. This is one of the finest plants in the country, and the second largest operated by water power in the United States.

Columbia has four cotton mills—the Columbia, with a capacity of 1,000 operatives and 35,000 spindles; the Richland, with 500 operatives and 27,000 spindles; the Granby, with 800 operatives and 53,000 spindles; the Congaree, with 200 operatives and 7,000 spindles. These mills consume 52,000 bales of cotton annually and furnish labor for a large number of people. The Columbia Hosiery Mills consume about 360,000 pounds of yarn annually. The Allen Batting Company consumes about 2,000 pounds of cotton daily. Taken as a whole, the cotton manufacturing interests of Columbia are highly satisfactory. Among the other industries are cotton-seed-oil mills, phosphate companies, brickyards, ice factories, and many other minor establishments. In fact, Columbia is fast making her mark as a business city as well as being the capital of the State. For a more detailed statement of Columbia and her resources I refer to a carefully prepared statement which I will print as an appendix to my remarks.

In making known what Spartanburg has done in manufacturing

industries that are thickly scattered throughout that enterprising section some remarkable statements will be made. South Carolina now leads the Southern States in the number of her cotton spindles and looms and in the capital invested in these mills. To Spartanburg is due in a very great measure the honor of this proud record. South Carolina to-day, with her 838,026 spindles and 21,273 looms, is the foremost Southern State in the cotton manufacturing industry, and Spartanburg, with its 316,252 spindles and 9,680 looms, is the most important cotton manufacturing county south of New York. For a detailed statement of the industries of this thriving city I am again indebted to the Charleston News and Courier.

The population of the city of Spartanburg increased nearly 100 per cent in the last census decade, and more than 50 per cent in the last three years.

South Carolina leads the South in the cotton manufacturing industry, and Spartanburg leads South Carolina. Spartanburg County has half as many spindles and 68 per cent as many looms as are operated in the State of Georgia, 27 per cent more spindles than have the two States of Tennessee and Virginia combined, 72 per cent more looms than Alabama and Tennessee put together, and more looms and spindles than the six States of Texas, Louisiana, Mississippi, Kentucky, Arkansas, and Florida combined.

There are 17 large cotton mills now in operation in Spartanburg County and 3 new mammoth mills in course of construction. The actual amount of capital invested in these enterprises is \$4,082,000; the number of operatives, exclusive of the managers and headmen, is 6,650; the consumption of cotton is 110,000 bales a year, more than twice the total cotton product of the county; and the amount paid annually to the operatives is \$1,500,000.

In addition to its cotton mills and banks, Spartanburg is engaged in iron manufacturing, having the largest and best equipped establishment in the State outside of Charleston. It has besides numerous small manufacturing industries.

This story is full of encouragement and hope. It shows what Spartanburg has accomplished within the life of less than a generation. It should serve as an inspiration to the other counties in the State. The opportunities for development in Spartanburg are no greater than they are in York, and Greenville, and Anderson, and Richland, and Charleston, and in many other counties of the State. Perhaps there is a difference in the spirit of the people. Let us hope that their example will prove contagious. They did not sit down and sulk when the tide seemed to be against them; they did not wait for outsiders to come to their aid. They went to work for themselves and have obtained all the help they needed. The people of Spartanburg are an honor to South Carolina.

The city of Charleston, the metropolis of South Carolina, is extensively engaged in the manufacture of fertilizers; in fact, so important are her factories that they fix the price of this product for this country, if not the world. Her rice mills are also very extensive, and, I understand, the largest in the South. She has other important lines of manufacture, as well as numerous smaller industries. This grand old town, in spite of the ravages of war and the devastation of earthquakes, still holds its commercial relations and importance among the foremost in the South. Its commanding location and magnificent harbor, together with its water and railroad facilities, ought to make it the business metropolis of the South.

I am unable to secure exact details as to her industries and development, but I know she is making rapid strides in commercial matters, and stands to-day, as of old, the pride of the people of South Carolina.

There are many other manufacturing establishments in other portions of the State, of which I have not time to mention. In fact, the State is being thickly dotted with them, and in almost every case they have become profitable to all concerned. Within the narrow limits of a speech it is impossible to touch upon every point, and while I have omitted many such, it is not because of a want of interest in their success. I will make this final statement to all who may feel inclined to make a personal examination of the resources of our State, that in my opinion the real situation is far better than I have given. To us South Carolinians the memories of our State are very dear. The record of its statesmen and soldiers are kept bright and fresh in our minds. We remember it was the home of Calhoun, Hayne, and McDuffie. It was the birthplace of Marion, of Morgan, and of Sumter. Its soil has been drenched with the blood of the Revolution as well as that of the war between the States. The bones of its brave sons have bleached on every battlefield from Bunker Hill to Appomattox. Amid it all the people of South Carolina have shown a courage, tenacity of purpose, and devotion to their State well worthy the emulation of all.

The great West is no longer the promised land to the swarming millions of the North and East. Its opportunities and advantages open to the ordinary individual are nearly exhausted, and the stern logic of events have shown that at first many were more apparent than real. Not that I would attempt to injure or take from those brave men and women who faced hardship and danger in settling that portion of our country even a fraction of the credit their due, yet I can not escape the conviction that had the time, labor, and money practically wasted or lost in the West been diverted to the South it would have made that section the paradise of America. As it now stands, immigration has reached its limits on the North and West, and the home seeker must turn elsewhere to establish his "own vine and fig tree."

The South, always more promising, has partially waited for

this turn of affairs, and now stands ready to welcome the honest and industrious from all other sections. The reasons for past neglect are plain, and among them may be enumerated the prejudices growing out of the war, political misrepresentation, and the strenuous efforts made to people the West. The West was extensively advertised as presenting the greatest advantages for the emigrant. Lands were to be had both by homesteading and preemption at nominal cost. States and Territories, to say nothing of counties, cities, and townships, were to be organized and the many public places and positions were to be filled. Here were opportunities for all sorts of ambitious people who had been crowded out or turned down in the older States.

Besides these, there were business chances which come only once in a lifetime, to say nothing of the wide range for speculation. Times have changed. The good lands of the West have very largely been taken up or held so high that men in moderate circumstance can not purchase. The alluring public positions, which called many to that section, have all been filled, and the business chances once so attractive no longer present themselves. Because of this, the South is being thoroughly looked into by those who are seeking better opportunities or the advantages of a change. Many of those who went West are turning their attention toward the South, and some have made it their new home. Does the South want this immigration? I answer, most emphatically, yes; we want all the honest, industrious men and women of the North we can get to come and settle among us.

We will welcome all such most kindly, and will prove to them what Southern friendship and Southern hospitality really mean. We will show them our opportunities and advantages; will treat them fairly, honorably, and impartially, and endeavor to make their new surroundings pleasant and their new ventures profitable. I repeat, we of the South want to increase our material interests; we want to increase in wealth and in the influences which that brings to a people. We want Northern thrift and capital to aid us in this undertaking, and will grasp the hand of every individual in friendship who comes among us for that purpose. In making this statement I voice the sentiment of all true men and women in the South.

We of the South should increase our wealth, stimulate our efforts, and strive for higher and stronger commercial relations. We should neglect a plain duty in not asking the assistance of other sections. Are we not of the same great national family, an integral factor of the same great nation? Do we not stand in the protecting shadow of the same Constitution and under the same flag? Why, then, should our advantages be neglected, our opportunities ignored, and our material development delayed? For one I can see no good reason, and I sincerely trust my feeble effort in calling attention to these conditions may be instrumental in some small degree in changing the situation. My love for my native section, my knowledge of her struggles and trials, the honest efforts she has made to repair her broken fortunes and regain her status in the commercial world, her worthiness and sincerity, and the welfare of her noble men and women, compelled me to make this disclosure of her resources and plea for justice to her people.

#### APPENDIX.

##### Columbia, S. C.

Columbia, the capital of South Carolina, is situated on the eastern banks of the Congaree River at the confluence of Broad and Saluda rivers; its location is a most admirable one, on a high plateau 200 feet above the river, giving it a natural drainage from all sides. Its fine climate makes it a most desirable place to reside in, both winter and summer, and as a business center it has advantages which are not equaled in any city in the South. Its manufacturing, railroad, and educational facilities are unsurpassed; with a canal running along its western boundary developing 12,500 horsepower; with the second largest electric plant run by water in the United States; a great railroad center; the Congaree River navigable to within 1 mile of the city limits, and, with a small appropriation from the Government, could be made navigable for steamboats from the ocean to the business portion of the city, all of which give a commercial importance to Columbia which insures her future success and prosperity. The educational facilities are the best that the South affords; a State college for young men and women, a theological seminary, three denominational colleges for young women, a law school, a training school for young women, two collegiate and industrial colleges for negroes, public schools for both races, and many excellent private schools are located in the city. If it is a recognized fact that good schools and colleges are prerequisites in the race for population, wealth, and influence, surely Columbia is fully equipped for the struggle.

The growth of Columbia has been steady and continuous, and every year adds to her population and wealth. In 1890 the United States census gave her 10,036 population; in 1890, 15,600; in 1897, local estimate, 25,000. Since 1890 the Columbia Canal has been opened, and 12,500 horsepower of water power has been developed and is now being utilized as follows: 500 horsepower used by the city of Columbia at its pumping station; 500 horsepower, by the Columbia Electric Street Railway, Light, and Power Company, used in operating its electric street railway and electric lighting plant; 2,000 horsepower used by the Columbia Mills in running its ducking mill (electrical transmission). The Columbia Water Power Company, the owners of the canal, of which Artesta Blood, of Massachusetts, is president, has just completed a power plant developing 8,000 horsepower for electrical transmission, which will utilize the balance of the water power of the canal. This plant is one of the finest in the country, with all the most modern improvements.



Columbia has the following manufacturing and commercial enterprises:

#### THE COLUMBIA MILLS.

Built in 1890; most of it Northern capital, with the following proposed capacity:

Operatives .....	1,000
Spindles .....	35,000
Cotton consumed per annum .....	25,000
Coal consumed for heating, per annum .....	600
Shipment of goods .....	11,000,000
Shipment of waste .....	900,000

Class of goods—Cotton duck and kindred goods. Power—Electrical transmission.

Built in 1894.

#### RICHLAND COTTON MILLS.

Operatives .....	500
Spindles .....	27,000
Looms .....	720
Cotton consumed .....	3,600
Coal consumed for heating, per annum .....	3,600
Shipment of goods .....	1,440,000
Shipments of waste .....	800,000

Class of goods—Fine sheetings. Power—Steam.

#### GRANBY COTTON MILLS.

Operatives .....	800
Spindles .....	53,000
Looms .....	2,000
Cotton consumed .....	8,000
Shipment of goods .....	8,000,000
Shipment of waste .....	600,000

Class of goods—Fine sheetings. Power—Electrical transmission.

#### CONGAREE MILLS.

Spindles .....	7,000
Cotton consumed .....	15,000
Yarn mill—Run by steam.	

#### Recapitulation of cotton mills.

Operatives .....	2,300
Spindles .....	122,000
Cotton consumed per annum .....	51,600
Shipment of goods .....	15,440,000

#### COLUMBIA PHOSPHATE MILLS.

Operatives .....	80
Phosphate rock consumed .....	5,411
Coal consumed .....	700
Nitrate of soda consumed .....	50
Muriate of potash consumed .....	125
Blood and tankage .....	600
Brimstone .....	800
Sulphate of ammonia .....	25
Kainit .....	800
Output of goods .....	9,000

This mill was established in 1890.

#### GLOBE PHOSPHATE COMPANY.

Established in 1891.

Operatives .....	80
Phosphate rock consumed .....	6,000
Pyrites consumed .....	5,000
Coal consumed .....	700
Kainit .....	500
Muriate of potash consumed .....	300
Nitrate of soda .....	200
Output of goods .....	15,000

#### Recapitulation of phosphate mills.

Phosphate of rock consumed .....	11,411
Coal consumed .....	1,400
Pyrites consumed .....	5,000
Kainit consumed .....	1,300
Muriate of potash consumed .....	425
Nitrate of soda .....	250
Blood and tankage .....	600
Sulphate of ammonia .....	25
Output .....	24,000

#### SOUTH CAROLINA COTTON OIL COMPANY.

Operatives .....	75
Cotton seed crushed .....	14,000
Output—	
Meal .....	5,000
Oil .....	575,000
Lint .....	320,000
Hulls .....	3,000

#### SOUTHERN OIL COMPANY.

Operatives .....	75
Seed crushed .....	20,000
Output—	
Meal .....	7,000
Oil .....	800,000
Lint .....	600,000
Hulls .....	3,000

These mills work only six months in the year.

#### Recapitulation of oil mills.

Operatives .....	150
Seed crushed .....	34,000
Output—	
Meal .....	12,000
Oil .....	1,375,000
Lint .....	920,000
Hulls .....	6,000

#### COLUMBIA HOSIERY MILLS.

Yarns consumed, per year .....	800,000
Output .....	825,000

#### ALLEN BATTING COMPANY.

Cotton consumed, per day .....	pounds..	2,000
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#### PALMETTO ICE COMPANY.

Capacity, per day .....	tons..	45
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Part of which is consumed in Columbia.

#### LIPSCOMB'S BRICKYARD.

Capacity, per month .....	brick..	650,000
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#### GUIGNARD'S BRICKYARD.

Capacity, per month .....	brick..	1,300,000
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The granite quarries of Columbia and its vicinity are numerous. Its quality is of the best and its amount is inexhaustible. A number of Government buildings have been erected out of the Winnsboro granite, it being selected over all other granites.

#### STATISTICS OF COLUMBIA, S. C., SHOWING THE TONNAGE SHIPPED.

	Tons.	Value.
Cotton .....	15,000	\$2,400,000
Rosin .....	10,000	74,000
Cotton-seed oil .....	6,000	123,000
Kerosene oil .....	20,000	440,000
Turpentine .....	6,875	550,000
Cotton seed .....	60,000	600,000
Phosphate rock .....	20,000	100,000
Fertilizer .....	20,000	400,000
Cotton-seed hulls .....	30,000	90,000
Cotton-seed meal .....	24,000	528,000
Rock .....	175,000	175,000
Brick .....	28,000	112,000
Lime and cement .....	2,250	30,000
Coal .....	20,000	160,000
Wood (fuel) .....	30,000	100,000
Lumber .....	70,000	175,000
Hardware, machinery, etc. ....	100,000	875,000
Boots and shoes .....	3,500	400,000
Cattle .....	1,280	92,000
Hay .....	4,000	72,000
Grain (corn, oats, etc.) .....	150,000	440,000
Hogs .....	500	35,000
General merchandise (not including above) ..	200,000	2,500,000
Sheep .....	100	5,000
Cotton goods, product of mills .....	56,450	6,000,000
	993,555	16,486,000

#### The Tariff.

A majority of the people of Kansas believe in the American system of protection.

#### SPEECH

OF

HON. CHARLES CURTIS,

OF KANSAS,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 25, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 359) to provide revenue for the Government and to encourage the industries of the United States—

Mr. CURTIS of Kansas said:

Mr. CHAIRMAN: I do not intend to occupy ten minutes, but I want to enter my protest against the great agricultural State of Kansas being placed in the free-trade column. [Applause on the Republican side.]

A majority of the people of Kansas believe in the American system of protection. We have in that State a board of agriculture which is supposed to be nonpartisan. At their last meeting, held in January, they elected a Democratic president, a Populist vice-president, and a Populist treasurer, and at the same meeting they adopted, among others, the following resolutions:

Whereas the Congress of the United States is now gathering information from the productive industries of our country with a view of determining the fiscal policy of the Government; and

Whereas this body being representative of the most important industry in Kansas, to wit, agriculture: Therefore,

Be it resolved, That as farmers, and representing farmers and their welfare, we earnestly favor such legislative restriction as shall most effectively encourage home industry and our own farm product. \* \* \* We ask the restoration of such duties as will protect the great native cattle, swine, and horse industry of our State from foreign invasion.

Mr. CLARK of Missouri. Will the gentleman allow me to ask him a question?

Mr. CURTIS of Kansas. Certainly.

Mr. CLARK of Missouri. Did not Kansas vote against protection in the last election?

Mr. CURTIS of Kansas. No, sir. In the campaign of 1894, when the issue was protection, the Republicans carried the State. [Applause on the Republican side.]

We elected seven out of eight Republican members of Congress, elected the State ticket, and carried the legislature that

elected a Republican United States Senator. [Applause on the Republican side.]

Mr. CLARK of Missouri. How did you come out in 1896?

Mr. CURTIS of Kansas. Oh, we were defeated on another issue entirely. The Populists there were like your party in Missouri—too cowardly to meet the issue of protection. [Applause on the Republican side.]

Mr. CLARK of Missouri. I want to say to the gentleman that I never have been afraid to meet any protectionist upon the face of the earth.

Mr. CURTIS of Kansas. You did not talk anything but free silver in your State.

Mr. CLARK of Missouri. We wiped up about half a dozen protectionists who talked protection on the stump.

The CHAIRMAN. Does the gentleman yield?

Mr. CURTIS of Kansas. Oh, yes; I will if he will get up and ask a question, but I do not want him to sneak down in his chair like a snail in his shell. [Applause.]

Mr. CLARK of Missouri. If you will answer the question, I will stand up.

Mr. CURTIS of Kansas. I answered your question.

Now, Mr. Chairman, I am in favor of this bill for the following reasons:

First. While it protects American industries, it will yield sufficient revenue to meet the running expenses of the Government.

Second. It will give employment to American labor at higher wages than are paid in any other country in the world.

Third. It will give to the farmers of this country their markets, the home market, which is the best in the world. [Applause.] Another thing which gentlemen on the other side should note is when this bill goes to the President, it will not be branded as a tariff of "perfidy and dishonor," but will be received as a Republican measure of protection, and the world will know that the United States has returned to the American system of protection. [Applause.]

In the Fourth Congressional district of Kansas the people are engaged in cattle raising and feeding; and when you remember that in the four years of the McKinley bill we only imported 19,000 head of cattle, and that in the first twenty-three months of the Gorman-Wilson bill there were imported 361,000 head of cattle, you may know why they favor restoring a duty on cattle. That is not all. Of the cattle imported from Mexico in 1895, 108,000 head were worth, at the border, \$4.15 per head, while in 1896 21,000 were worth \$3.97 a head. Why, gentlemen, a 3-weeks-old Kansas calf, at the side of its mother, is worth more than a 3-year-old Mexican steer at the border. They tell us we ought not to exclude Mexican cattle; that if we do, the Mexicans will retaliate and not take our hogs and pork products. Do the gentlemen who make that claim know that we exported to Mexico in 1891, 1892, and 1893 double the value of hogs and pork products that we did in 1894, 1895, and 1896? We did that, too, when the duty upon cattle was virtually prohibitive. [Applause.]

Our people used to bale hay and ship it East and elsewhere; and when you remember that in the year 1892 we only imported 79,000 tons, and in 1896 302,000 tons, you know we would like a little more protection on that product. In the district which I have the honor to represent there are three counties engaged in the sheep industry. In 1892 in one of these counties there were 50,000 sheep. In that year they sold at from \$3 to \$4 a head, and the wool at from 15 to 18 cents a pound. You could buy those sheep last fall at 75 cents a head, and wool sold at 7 to 8 cents a pound.

Mr. MAGUIRE. Do you know of any lower form of industry from an industrial standpoint than raising sheep? Does not the extension of sheep industry drive out the higher forms of industry wherever it is engaged in?

Mr. CURTIS of Kansas. It does not in the Fourth Kansas district, and I do not believe it does anywhere else. You have paralyzed the sheep industry, one of the greatest in this country, by your Gorman-Wilson bill, and we propose by this measure to encourage it and build it up again, and the people of this country will say "Amen" to our efforts. [Applause on the Republican side.]

Mr. MAGUIRE. We will see about that.

Mr. CURTIS of Kansas. Yes, you will see about that, as you always have. I remember well that in the Fifty-third Congress they told us why they wanted free wool; that with it the people would wear better clothing; that the McKinley law did not keep out shoddy. True. We imported 292,000 pounds of shoddy in 1893, but the first year that the Wilson-Gorman bill was upon the statute book the importation of shoddy increased to 20,000,000 pounds, and the same Democratic orators who told us that their bill would keep shoddy out of this country are trying to fool the people again in face of these figures.

The placing of wool on the free list by the Wilson bill cost the woolgrowers of the United States \$84,000,000 in revenue and \$120,000,000 in reduction of the price of wool in the four years of its operations. This loss of \$124,000,000 equals a loss of \$8 to each

and every family, without a single benefit. If we add to the foregoing the whole deficiency, or increase of the public debt during this same period, the amount apportioned to each family will be more than doubled, amounting to \$16 per family. To this must be added the loss to the American farmer of a market for 80,000,000 pounds of wool in a single year, which the foreign woolgrowers have secured in our country, without contributing in any way, by taxes or otherwise.

Summing up the cost of four years of Democratic blunders, the giving away of the American markets to foreign producers deprived our own Government of more than \$203,000,000 of revenues which would otherwise have been collected in our custom-houses, and the present outstanding debt would have never existed. The following is the table for each year's deficiency:

Deficiency for the fiscal year ended June 30—

1894.....	\$69,803,260
1895.....	43,805,223
1896.....	25,203,246
1897 (estimated).....	65,000,000

Total deficiency..... 203,811,729

I am sorry that hides are not placed in the dutiable list. I do not agree with the gentlemen who claim that the only hides we import are such that those produced in this country can not take their place.

This may be true in some cases, but there is no doubt in my mind but what there are millions of dollars' worth of hides imported every year and sold in the markets of this country that could be supplied by the cattle raisers of the United States.

The records show that we have imported annually on an average \$1,435,196 worth of hides and skins from Mexico during the last six years.

It would be to the interest of the cattle growers to have a duty placed upon hides, and I hope it will be done.

I want to say another thing. I am very sorry that some of the Western members are continually condemning the East. They simply do a great injustice to a people who have helped to build up the opulent West. [Applause.] The people of Kansas are thankful for what the East and Eastern people have done for our great State. [Applause.] If you will carefully examine the records of the last census, you will find that the Western States may well be proud of their great development. The agricultural States need not fear comparison with the manufacturing States. There is not a manufacturing State in the Union that can compare with the growth of the great State of Kansas in the ten years from 1880 to 1890. [Applause.]

Mr. MAGUIRE. Did protection cause that?

Mr. CURTIS of Kansas. Oh, the American system of protection and other wise Republican legislation caused it. [Applause.]

Pennsylvania, with six and a half times more wealth and over five times the population of Kansas, only gained about one-tenth more wealth than Kansas did from 1880 to 1890. Kansas increased in assessed valuation 116 per cent, while Pennsylvania increased only 54 per cent.

Massachusetts, with three and a fifth times more wealth and nearly twice the population of Kansas, only gained about one-sixth the wealth that Kansas did from 1880 to 1890. Massachusetts only increased 35 per cent in assessed valuation.

New York had eight and a third times more wealth and over five times the population of Kansas, yet she gained less than two and a fifth times more than Kansas did from 1880 to 1890. Her increase was only 42 per cent.

I noticed a report in the Topeka Daily Capital, one of the leading dailies of the West, taken from the registers of deeds in thirty-eight counties, showing a decrease in the debt of those counties since 1890 to the amount of \$23,538,493. This is surely a great showing for our State, and should be very encouraging to our people; and it should be sufficient to restore confidence in the minds of Eastern people. The people of Kansas are not only honest, but industrious, and will pay every dollar they owe.

The gentlemen who claim that the hard times of the last few years are the result of the legislation of the last thirty-two years forget that the history of those years tell of the wonderful growth of this country. Not many years ago the United States was one of the poorest of the leading nations of the world, but under the wise policy of the Republican party from 1861 to 1893 this country has advanced to the first place among the nations of the world.

It has been well said that the gentlemen who thirty years ago thought it impossible for us to compete with Great Britain in manufacture did an injustice to the skill and ingenuity of their countrymen, for as they had in former years gloriously contended with them, man to man, gun to gun, step to step, fleet to fleet, and army to army, so they have in late years achieved equal success in perfection in manufacture, greatness in wealth, and advancement in education. [Loud applause on the Republican side.]



## The Tariff.

## SPEECH

OF

HON. J. H. DAVIDSON,

OF WISCONSIN.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

The House being in Committee of the Whole on the state of the Union and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. DAVIDSON said:

Mr. CHAIRMAN: At the very threshold of its existence the Fifty-fifth Congress is confronted with an extraordinary condition of affairs, a condition the very existence of which sets at naught all the fine-spun theories of the professional free-trade theorists and demonstrates the wisdom and good judgment of the people of our nation, who at the last election directed that the policy which had brought disaster and ruin upon the country during the last four years should cease, and that another and different policy should be substituted in its place. We have been commissioned by the suffering millions of our land with the performance of a sacred duty, and one which the country is now anxiously waiting for us to perform. The President has so clearly expressed the object of this extraordinary session that the language used in his message will bear repeating here:

Congress should promptly correct the existing conditions. Ample revenues must be supplied not only for the ordinary expenses of the country, but for the prompt payment of liberal pensions and the liquidation of the principal and interest of the public debt. In raising revenue, duties should be so levied upon foreign products as to preserve the home market so far as possible to our own producers; to revive and increase manufactures; to relieve and encourage agriculture, and to increase our domestic commerce; to develop mining and building, and to render to labor in every field of useful occupation the liberal wages and adequate reward to which skill and industry are justly entitled. The necessity of the passage of a tariff law which shall provide ample revenue need not be further urged. The imperative demand of the hour is the prompt enactment of such a measure, and to this object I earnestly recommend that Congress shall make every endeavor. Before other business is transacted, let us first provide sufficient revenue to faithfully administer the Government without the contracting of further debt or continued disturbance of our finances.

Notwithstanding this declaration of the President, gentlemen upon the other side of this Chamber still question the necessity of increased revenue at this time; but can any thoughtful or honest man conscientiously question the condition of our finances when the record shows that our disbursements have largely exceeded the receipts and that there has been a deficiency in each of the last four years? The deficiency is as follows:

Fiscal year ending June 30—

1894 .....	\$59,803,260
1895 .....	43,805,223
1896 .....	25,203,246
1897 (estimated) .....	65,000,000
Total deficiency .....	203,811,729

The very fact that this condition exists, and that in time of peace and without any extraordinary expenditures the Government has been compelled to issue bonds to the amount of \$260,000,000, demonstrates conclusively that there has been a change in our revenue system during the last four years, for we find from an examination of the records that during the twenty-five years of Republican ascendancy there never was a time when the receipts were not largely in excess of the disbursements, and that from 1865 to the close of President Harrison's Administration this Government, under Republican rule, not only expended large sums of money for the improvement of its Navy and for its rivers and harbors, for the erection of public buildings, for the extension of the postal service and other improvements, but it paid the necessary annual expenses of a great and growing country and at the same time paid off two-thirds of the debt contracted in the preservation of the Union, and in addition it also paid many hundred millions of dollars in pensions to the soldiers who fought for the preservation of the Union and to the widows and orphans of such soldiers.

At different times during this debate gentlemen upon the other side of this House have declared that it was not tariff legislation that was needed, but that if financial legislation was had along the lines laid down by them—that is, the free coinage of silver at the ratio of 16 to 1—there would be no necessity for the revision of our tariff laws. I desire to call the attention of those gentlemen to the fact that from 1879 to 1893 our nation prospered in a greater degree than at any other time during its existence; that during all this time new railroads were being built, new industries of all kinds

were being developed, the broad prairies of the West became fertile farms, near these farms villages sprung up, and with the coming of manufacturing industries these villages grew into cities, all of which offered opportunities for investment of capital and gave to labor an opportunity for employment at better wages than were ever received by wage earners in any other nation or at any time.

During all this period the people were happy and contented. Homes were being built and furnished with not only the necessities but the comforts of life; churches were being erected and schools endowed, and every laborer of every vocation was enabled to lay aside some portion of his earnings for the benefit of himself and his family in after years. That condition of affairs continued up to 1894, at which time, without any change in our monetary system, the tide of prosperity turned back, and from that day to this the country has been in a state of demoralization, business has been suspended, properties have depreciated in value, the factories have been closed, the wheels have ceased to turn, the fires in the furnaces have gone out, and the men who were earning a good livelihood in those factories and mills have been without opportunity for labor and have become in many instances dependent upon charity for the sustenance of themselves and their families. This condition of things, however, has not been confined alone to the manufacturing centers, but the great agricultural districts of our country have been visited with the same blight. The question now is, What has been the cause of all this, and what the remedy?

Can there be any other solution than that the cause was the change from a protective tariff policy to one of "revenue only," or rather to one for a "deficit?" The whole record of our agricultural, commercial, and industrial systems under the protective policy which existed up to 1894 shows that the change from that policy to the Wilson-Gorman policy was not beneficial to the country, and we are here to-day to repeal that monstrosity and place upon the statute books a measure which will provide not a deficit but revenue for the Government, and at the same time encourage the industries of the United States. It must be admitted by all that a government like ours must necessarily require a large amount of money to meet its annual expenditures. Every American citizen desires to see the country prosperous and to see it developed. We desire to see the internal improvements continued, public buildings erected in the several cities where they are needed, and a sufficient expenditure of money by way of pensions to protect every worthy veteran from penury or want.

In order to meet these expenditures, large sums of money must be received from some source, and as a governmental taxgatherer is never a welcome visitor at our homes, it seems to be conceded that the best way to provide this revenue is by a tax on importations. It is unnecessary at this time to reiterate the oft-repeated arguments as to whether the revenue should be procured by virtue of a tariff law enacted for purposes of revenue only, or whether that law should be so framed that, in addition to producing a revenue sufficient to meet the expenditures of the Government, it will at the same time give protection to American labor and to American industries.

From the time of the first tariff enactment down to the present the history of our country demonstrates conclusively that the nation has been more prosperous when the revenues have been collected under a tariff law which at the same time protected the industries of the nation than under what is known as free-trade legislation. I believe the bill now proposed is better adapted for the needs of the country than any other tariff measure ever proposed for enactment. It is not a sectional measure in any respect. It is as broad as the nation itself, and it affords protection to every industry that needs it, and at the same time the duties have been so regulated that they will not become burdensome upon any class of our people. I shall not undertake to discuss in detail many of the schedules of this bill, but there are one or two in which the people I have the honor to represent are directly interested, and to those I desire to call attention.

## LUMBER.

In the first place, a duty is proposed upon lumber, and it may be urged by some that the consumers of lumber should be entitled to procure this product from any market wherever it may be obtained, but for the present, at least, there is, and, in my judgment, for many years to come there will be, plenty of timber of all kinds in this country, so that a reasonable duty may be imposed upon manufactured lumber brought in from other countries, which will enable the people engaged in that industry in this country to continue with a reasonable assurance that they will not be compelled to compete with the cheaper labor of other countries. We find to the north of us a country, separated from ours only by an imaginary line, that has miles of unbroken forest and labor that can be employed at wages much less than that demanded by and paid to the laborers of this country; and when we notice that the importations of lumber from Canada under the present tariff enactment have increased from \$2,600,000 worth in 1893 to \$12,600,000

worth in 1896, it ought to satisfy every reasonable person that protection should be given to the people employed in this industry.

There are more persons employed in the lumber industry than in any other single industry in this country, and with the large amount of timber still in this country, is there any reason why we should import \$12,600,000 worth of lumber from Canada, 90 per cent of which represents labor, when we have unemployed laborers in our own country? This large importation from Canada has been directly responsible for the closing of many of the mills and manufactories throughout the Northern States—notably Michigan and Wisconsin—thereby turning thousands of men out of employment and compelling the manufacturers of lumber in those States to reduce the wages of their employees, where employment was given to any, in order that they might compete successfully with the cheaper products brought over from Canada.

It has been said that this bill favors the manufacturing industries of the East against the agricultural industries of the West, but I desire here and now to say that, in my judgment, this bill, if enacted into law, will give better protection to the agricultural industries of the country than has ever been given them in any tariff legislation heretofore enacted. Take the whole scale of agricultural products, and you will find that the duties proposed are higher than those of the Wilson law, and if enacted into law will enable the producer of agricultural products to dispose of them in the home markets without competing with foreign nations for that market. The gentlemen on the other side of this Chamber profess at this time to be the friends of the farmer, and are declaiming loudly and continuously against the passage of this bill because it is not in the interest of the farmer.

If I remember correctly, the debates had at the time of the passage of the Wilson bill were replete with statements, made by these same gentlemen, or some of them at least, that they were then legislating in the interests of the farmer, and that the Wilson bill, if enacted into law, would bring prosperity, and that the "markets of the world" would be thrown open to them. Well, it occurs to me that with the home market destroyed the farmers of our country were forced to seek and have been seeking the markets of the world during the last four years. They have sought them earnestly day and night, month after month, during all these years, but they have failed to find them. What has the tariff legislation which our friends on the other side placed upon the statute books done in the interest of the farmers? Let us observe its workings. They said that it would give us the markets of the world in which to sell our products. Let us see if it has fulfilled their promise. The first item I call your attention to is that of barley.

For some reason, malting plants have been erected along our northern frontier, and I understand the owners of those plants have appeared before the Ways and Means Committee and urged that the duty on barley be reduced to 5 cents per bushel, so that they might purchase Canadian barley for malting, but I congratulate the country in having as members of the Committee on Ways and Means gentlemen who were interested first in the welfare of the American farmer, and who, in order to protect him, have raised the duty from 30 per cent ad valorem, which is equal to about 7 cents per bushel, to 30 cents per bushel.

This duty will shut out a portion of the Canadian crop and give a market for the American crop. In 1894, under the McKinley law, we imported only 791,061 bushels of barley, of a value of \$358,744, while in 1895, under the Wilson law, we imported 2,116,816 bushels, of the value of \$867,743, a loss to American farmers of 1,325,755 bushels, of the value of \$509,000.

In 1894, under the McKinley law, we sold to the world 5,219,405 bushels of barley, for which we received \$2,379,714; while in 1895, under the Wilson law, we sold only 1,563,754 bushels, receiving for it \$767,218; a loss of 3,655,651 bushels, and a loss in value of \$1,612,496. Add to this the loss on importations during the same time, and the total loss to the farmers was 4,980,000 bushels, of the value of \$2,121,000.

In 1892, under the McKinley law, we sold to the world 637,972 bushels of beans and peas, receiving therefor \$945,767; in 1895, under the Wilson law, we sold only 242,682 bushels, receiving therefor \$429,006, a falling off of 395,290 bushels, and a loss of \$516,761. These two items show the result of an attempt upon our part to capture the markets of the world under the Wilson law.

While we were attempting to do that the people of other countries successfully captured this market, and instead of its being protected and preserved as a market for the agricultural products of this country, we find that upon the one item of beans, where we purchased in 1892 only 874,000 bushels, of the value of \$957,000, in 1895, under the Wilson law, we purchased 1,536,000 bushels, of the value of \$1,548,749, a loss of 662,000 bushels, of the value of \$590,000. Add to this the loss on exportation of the same article and you find the American farmers lost on beans and peas alone 1,057,290 bushels, of the value of \$1,106,761.

In 1892 we sold in the markets of the world cattle of the value

of \$35,000,000, while in 1895 we sold only \$30,000,000, a loss of \$5,000,000. On the other hand, the world sold to us in 1892 cattle of the value of \$47,466, while in 1895 it sold to us \$765,853 worth, a gain for the foreign dealer of \$718,000.

One of the great industries of this country is the raising of wheat; and in order to sell the excess of our wheat crop in the kernel, it must be transported to Liverpool and sold there in the "markets of the world," in direct competition with wheat raised on the cheap lands of India and Australia. Under that beneficent feature of the McKinley law, conceived in the brain of that magnificent statesman, James G. Blaine, and carried into execution by President Harrison, known as reciprocity, a market, not only for wheat but also for the flour made from the wheat, was opened up for us, and in three years, by virtue of that law, our trade with Cuba increased from 150,000 barrels to 662,000 barrels, making a market for 3,300,000 bushels of wheat. In the West Indies and Bermudas we built up a trade of 400,000 barrels, or 2,000,000 bushels of wheat; and in Brazil of 200,000 barrels, or 1,000,000 bushels of wheat.

Under this same law our trade with Germany increased from 8,000 barrels to 286,000 barrels, or 1,430,000 bushels of wheat. By that law a new market was obtained for 7,700,000 bushels of our wheat, which has now been practically destroyed by the present Wilson-Gorman Act. We must remember also that not only has our trade in these agricultural products been destroyed with other nations, but that owing to the depressed condition of the industries of our country the home consumption has been greatly lessened. Prior to the enactment of the Wilson law, and when our country was prosperous, we consumed 90 per cent of all the agricultural products of this land. This gave to the farmers of our country the best market in the world, viz, the home market; but under this free-trade measure that market has likewise been taken from them to a large extent.

In 1892, under the protective system, the consumption of wheat in this country was 5.7 bushels per capita. In 1895 it had decreased to 4 bushels per capita, showing a loss of 1.7 bushels per capita, or about 120,000,000 bushels less consumed in 1895 than there were in 1892. The decrease per capita in the consumption of corn in the same period was 14 bushels, or 980,000,000 bushels less consumed by the people of our country in 1895 than were consumed in 1892. But it will be said by some that these figures can not be correct, for the reason that our population was greater in 1895 than it was in 1892, and that men must eat whether they work or not. But I say to you that when men are working on short time at low wages, or, worse still, are out of employment and are walking the streets looking for a job, and are obliged from necessity to accept the offerings of charity to keep their wives and children from starvation, I say to you that those families do not consume upon their tables as much bread and meat and the many different agricultural products as they do when the head of the family is receiving steady employment at good wages.

But the loss sustained by the farming community by virtue of free-trade legislation has not been alone in the decrease of consumption, nor in the amount of the products shipped to other countries, but in the shrinkage of values of the products which they have raised. Take the three great staples, wheat, corn, and oats, which are largely raised by the farmers of the United States, and we find that in 1891 they brought the following amounts of money:

Wheat .....	\$513,472,000
Corn .....	836,439,000
Oats .....	232,321,000

Total..... 1,582,232,000

In 1895 the same products brought to the farmer the following amounts of money:

Wheat .....	\$237,938,000
Corn .....	567,930,000
Oats .....	163,655,000

Total..... 969,523,000

Thus the farmers lost on account of the change in our tariff laws the sum of \$612,709,000 in the value of these three articles alone between the protective-tariff year of 1891 and the free-trade year of 1895. But it was not the cereals alone that decreased, but farm animals as well. The farmers' hogs, January 1, 1893, were worth \$295,425,000; on January 1, 1896, they were worth only \$189,529,000, a decrease of \$105,896,000 in three years. On January 1, 1893, the sheep of this country were worth \$125,900,000; on January 1, 1896, they were worth \$65,167,000, a loss or decrease of \$60,742,000 in three years. In 1893 the horses of the United States were valued at \$1,067,593,000; in 1896 they were valued at \$500,140,000, a decrease of \$567,453,000, and a loss in these three items alone of \$677,091,000 to the farmers of this country as a result of Democratic legislation.



The value in 1891 of the wheat, corn, rye, oats, cotton, hay, potatoes, wool, barley, buckwheat, tobacco, hogs, and sheep in this country was \$2,957,000,000; in 1895 the same articles were valued at \$2,061,000,000, showing a decrease in the value of these thirteen articles of \$900,000,000 between the year 1891, under a protective-tariff law, and the year 1895, under the Wilson free-trade law. Can there be any question, then, but that this great depreciation in values of all these products of the farm was directly traceable to the tariff legislation made possible by the last Democratic Administration? The people of this country are entitled to our own market, and they should be allowed to occupy it and to supply it with everything that is raised or manufactured in this country, and such legislation should be enacted as will prevent the foreigner from entering this market until he has paid a tax at least equal to that paid by the people of our own country for the maintenance of the Government.

Just notice a few of the agricultural articles we bought in foreign lands last year.

Products of the farm imported in 1896:

Animals (horses, cattle, and sheep).....	\$3,253,000
Products of animals (except wool).....	41,050,000
Wool.....	32,145,000
Breadstuffs (wheat, oats, barley, etc.).....	2,780,000
Fruits and nuts.....	19,032,000
Flax and hemp.....	2,673,000
Hay.....	2,773,000
Rice.....	2,185,000
Seeds.....	2,683,000
Tobacco.....	16,503,000
Vegetables.....	2,577,000
<b>Total.....</b>	<b>128,354,000</b>

This immense sum of money was sent abroad in the purchase of animals, grain, etc., nearly all of which could have been raised in our own country. Is there any reason, then, why it should not be so raised? We imported from foreign countries last year:

Coal.....	\$3,559,000
Earthenware.....	10,605,000
Glass and glassware.....	7,528,000
Iron and steel.....	25,338,000
Marble.....	2,144,000
Wood.....	20,567,000
<b>Total.....</b>	<b>69,741,000</b>

This sum was paid by the people of our country for the products of the mines, the factories, and the quarries of foreign countries, when we have within our own country all these products which should have been mined and produced by American capital and American labor.

In manufactured goods, such as books, maps, paper, silk, woolen and cotton goods, we imported last year \$178,354,000 worth, while every dollar's worth of these goods could have been manufactured in the United States. During the last year we imported into this country \$780,000,000 worth of foreign goods and foreign products, and during the last five years we have imported \$3,806,000,000 worth.

#### WOOL.

How well the country remembers the rainbow promises about the great benefits to be received from free wool! What are the facts? During the last year of the McKinley law we imported 55,152,595 pounds of wool, of the value of \$6,107,438; in 1895, under the Wilson law, we imported 206,033,906 pounds, of the value of \$25,556,421; and in 1896 we imported 230,911,473 pounds, of the value of \$32,451,242, a loss over the last year of the McKinley law of 175,758,888 pounds, of the value of \$26,343,805.

But they tell us clothing has been cheaper, and thus the poor man has been benefited by having free wool, but my honest judgment is that honest clothing has not materially decreased in value, except as all values have depreciated on account of the depression in business. I admit that a "cheap-john" suit of clothes may be purchased to-day for less, perhaps, than it could have been in 1894, but you will find that these suits are "cheap" in quality as well. The importation of rags, waste, and shoddy has increased from 229,000 pounds in 1894 to 20,000,000 pounds in 1895, and as each pound of shoddy is equivalent to 3 pounds of merino wool, we find that under the free-wool clause of the Wilson law shoddy has taken the place of 60,000,000 pounds of American wool. I am opposed to everything that is shoddy, whether you find it in the coat that is on the man's back or in the man himself, or in the system of legislation which makes such conditions possible. I believe that American flocks should feed on American pastures, and should furnish the fleece which clothes the back of American citizens, and any system which prevents this is un-American and should not be tolerated.

#### SUGAR.

I have filed with the Clerk a petition from several hundred citizens of my State asking for a protective duty on sugar. Until within the last two years it was supposed that a duty imposed upon sugar was one for revenue only, but under the stimulus of the bounty provided by the McKinley law this industry commenced to develop, and not only the cane-sugar industry prospered, but the intelligent farmers of the North, encouraged by the assistance of that broad-minded, courageous friend of the farmer, the then Secretary of Agriculture, Jeremiah M. Rusk, of Wisconsin, turned their attention to the beet-sugar industry as well.

The annual production of sugar in the world is estimated at 8,248,246 tons, of which amount 3,537,151 tons are made from cane and 4,711,095 tons are made from beets. Of this amount our own country produces only 236,000 tons of cane sugar and 30,000 tons of beet sugar, and yet the climate and soil of at least 18 States of our Union are as well adapted to the raising of beets for sugar as any portion of the globe. Why, sir, Germany is the greatest beet-sugar-producing country in the world, and yet that portion of Germany adapted to the raising of beets is only twice as large as the single State of Wisconsin. We are sending to foreign countries about \$125,000,000 annually for this one agricultural product, and while it may take some years to develop this industry sufficiently to supply entirely the home demand, yet every effort in that direction is a benefit to our own people.

As it is now absolutely necessary to impose a duty on sugar for the purpose of obtaining revenue to meet the necessary expenses of the Government and to pay the interest on the bonds issued by the late President, that duty should be so levied as to afford protection to this infant industry, which will soon prove a national blessing. The production of our own sugar would mean the construction of 920 factories, at an average cost of \$250,000 each, and with a daily capacity of 850 tons of beets each. To supply each of these factories with beets would require the product of 2,000 acres of land, or 1,840,000 acres in all, from which would be raised annually 18,400,000 tons of beets. At an average price of \$4.50 per ton, this would produce \$82,800,000.

In the present congested condition of agricultural products, when the supply of the cereals is largely in excess of the demand, if 1,840,000 acres of land now raising wheat, corn, oats, or barley could be used in the sugar industry, what a benefit would result to those who from necessity must raise the cereals, and how much greater would be the income of those who were so situated that they could raise beets instead of cereals. It has been estimated that the average yield per acre of beets is 16 tons, which, if sold at the average price of \$4.50 per ton, would produce an income of \$72 per acre, and as the cost of raising 1 acre of beets is stated to be \$25, it would leave a net profit of \$47 per acre to the owner of the soil. It has been demonstrated beyond a doubt that we have in this country the soil and climate to produce our own sugar.

In the State which I have the honor in part to represent, the agricultural station has been experimenting with the raising of the sugar beet with remarkable results. Tests have been made with beets raised in fifty-nine different counties in that State which show an average of 12.44 per cent sugar, with a purity coefficient of 76 per cent, and from one county in my district the average was 16 per cent sugar. When we remember that European beets never polarize more than 13 per cent, it is not surprising that the people are becoming interested in this matter, and if given an opportunity will in a few years successfully compete with the foreign nations in the production of sugar from beets; and instead of sending \$125,000,000 annually abroad to enrich the farmers of foreign nations, this amount will be distributed among our own people, to the benefit of all and to the benefit of the nation.

Is it not better to encourage the industries of our own country, protect them from the products of foreign manufacture created by cheap labor, and thus enable the artisans of our country to find employment at good wages, and at the same time, by reason of the activity in the commercial and manufacturing industries, so divide the employment of labor that those engaged in agricultural pursuits will not exceed their due proportion, and the products of the farm will find a market at the manufacturing centers just as the products from the manufactory find a market in the agricultural districts? This interchange of products between the people of our own country keeps the money of our country here, benefits all our citizens, and tends to the prosperity of the nation.

This is the theory of a protective tariff. This is the theory upon which the pending bill has been constructed. Against this theory stand the gentlemen on the other side of this Chamber, and they are now entering their protest against the passage of this bill, and declaiming as usual in favor of their pet but now exploded theory that "the tariff is a tax and the consumer pays it." Like the great apostle of infidelity, who seeks to take away from humanity its hope for eternal life, yet offers nothing in its stead upon which poor, weak, human faith may build, so these professional theorists stand here objecting to the passage of this measure; still

they offer nothing as a substitute, nothing which will bring relief to a distressed people; no, not even that creature of their own creation—the Wilson-Gorman monstrosity.

Mr. Chairman, I not only like this bill, but I like its title also. I believe that we should enact a law that will provide sufficient revenue for the Government, and I also believe in the policy of encouraging American industries. I believe in America; I believe we have the grandest country on the face of the earth, and with proper legislation our people will be the most prosperous, the most happy, and the most contented of any people. Experience has taught us that we need protection, and that system of protection which lifts the labor of this country above the degrading and dangerous conditions of the pauper labor of Europe; that system which makes our artisans men, which makes them intelligent, honest American citizens, standing on a plane of equality with all other American citizens, and maintaining their self-respect, independence, and manhood, is the system which I believe in. The bounty which protection gives to labor is, in my judgment, the nation's grandest investment. During the last campaign it was my pleasure to make to the people of the district I represent a promise regarding tariff legislation. It was this, that if chosen to represent them in the Fifty-fifth Congress I would never vote for a tariff bill that would put a high protective duty on the rice of the Southern plantations and a low ad valorem duty on the barley of the North; that I would never vote for a bill that would put wool on the free list and leave a high protective duty on peanuts. That promise, Mr. Chairman, I will keep to-day when I vote for the passage of this bill.

#### The Tariff.

#### SPEECH

HON. GEORGE W. STEELE,  
OF INDIANA.

IN THE HOUSE OF REPRESENTATIVES,

Thursday, March 25, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. STEELE said:

Mr. CHAIRMAN: I have been so very busy with matters pertaining to our Soldiers' Homes as to be utterly prevented from preparing any extended remarks on this bill. I will, however, say for it that in my opinion it is the most complete tariff bill that has ever been framed. Not only because of its equity in levying duties upon imports, but because of the superb manner in which it is framed with reference to the collection of the duties imposed. In saying this I am not in any wise reflecting on the McKinley law or its framers, because, had the gentlemen composing that great committee been employed in framing the bill now under consideration, they would have had the advantage of the experience we have all shared since the framing of that measure, and would have been moved by that progressive spirit which characterizes all the performances of the Republican party.

I do not claim that the bill under consideration is perfection, for there are schedules that I would like to change. I agree with our tobacco manufacturers in thinking that the tobacco schedule is too high, and there are other items of the bill concerning which members of the committee and friends of the measure have divergent views. But we must all realize that in the framing of such a measure, involving so many conflicting interests, it is utterly unreasonable for everyone to expect to have things all his own way.

I am a protectionist because I believe firmly in protection, and if I had my own way in framing a bill I might overdo the matter. I believe in manufacturing in this country everything that the country needs and that it is possible for us to manufacture. I believe in our growing everything that it is possible for us to grow in this country, and keeping at home the money we send out to buy the products of other countries.

I have no sympathy with the gentleman from South Carolina [Mr. McLAURIN] in his criticism of the bill. He does not know when he is well off. We have given to that State, which is one of the largest producers of rice in the United States, a duty of \$1.60 a bushel on cleaned rice and \$1.40 a bushel on uncleaned. Yet he complains because we place no duty on the twine that binds our wheat, and gives us no credit for the free twine that binds his rice. Nor does he take into account the fact that it has seemed impossible for the people of the Southern States to grow enough rice to supply the demands of the country. The probability of doing so is, however, better than was that of producing enough sugar to supply the country in 1890, when the McKinley bill was passed. At that time we had not ascertained that it was possible for us to produce all the sugar that is required for consumption in

the United States. We had, prior to that time, produced only a limited amount of cane sugar in Louisiana and other Southern States, but we in the North had submitted to a tax on both sugar and rice uncomplainingly for years. In fact, we thought in 1890 that we had ascertained that we could not produce enough sugar for home consumption, and that it would be better for our people and do exact justice to those in the South to give a bounty on its production rather than tax it.

The wisdom of giving a bounty at that time is apparent, for by this encouragement we have demonstrated beyond the question of doubt that we can produce beets out of which sugar is made in twenty of our great States—my own among the number. I am happy to say—and that in any five of them enough can be grown for the manufacture of all the sugar consumed by our people. On rice we are giving the South Carolina growers a protection of 111.85 per cent, which is much more than we give to any other agricultural product, and this in face of the fact that we have not up to this time had a vote from that section to sustain its own industries. The Republican party believes in protection, and looks forward anxiously to the time when we will produce all the rice we need. Texas is now making a good showing in this direction, and we have a Republican member from that State, as incredible as it seems, who will help us to protect the rice growers and other farmers of Texas. For my part, Mr. Chairman, and I say it boldly, if I had the framing of this bill, unless our friends from the South, in which section only cane sugar and rice can be produced, and upon which a high tariff seems necessary, would help in protecting their own interests, I would permit them to fall by the wayside and suffer for a while the effects of their own folly.

With regard to sugar I predict that if the tariff fixed by this bill is unchanged for a period of ten years, we will at the end of that time be producing not only enough for our home consumption, but as much as we care to export, and at very little additional cost to the consumer. Germany gives an export bounty on sugar, yet the home consumer pays from 6 to 8 cents per pound for it, the bounty enabling the German producer to sell it in this country at a lower price, while the French consumer pays from 8 to 10 cents a pound for the same reason. The farmers in the twenty States where the sugar beet can be successfully raised will reap a double benefit from the development of the sugar industry; first, because the sugar beet is a more profitable crop than wheat or corn, and second, because the land devoted to raising beets will no longer be producing wheat and corn, and the lessened production will increase the price of these products. So in raising cattle and sheep.

The effect of the reductions made by the Wilson-Gorman law on farm products is demonstrated by reference to the statistical report of the Secretary of Agriculture for the year 1896 in the State which I have in part the honor to represent, viz:

In 1880 the live stock of Indiana was valued at \$78,806,248, increasing steadily in value until 1893, when high-water mark was reached at \$113,785,244, an increase of \$34,978,996. From 1893 to 1896 there was a decrease from \$113,785,244 to \$67,301,956, a difference to the bad of \$46,483,288. In 1896 the value of live stock in Indiana was \$11,504,290 less than in 1880. The loss was distributed as follows:

	1892.	1896.	Loss.
Number of horses.....	725,250	694,445	30,811
Value of horses.....	\$53,398,703	\$23,732,946	\$29,655,757
Number of mules.....	50,431	50,431	0
Value of mules.....	\$4,342,014	\$1,904,802	\$2,437,212

A decrease in each case of over 55 per cent.

	1892.	1896.	Loss.
Number of beef cattle.....	1,065,226	796,414	268,822
Value of beef cattle.....	\$30,925,520	\$10,447,970	\$20,477,550

A loss of 21 per cent.

	1892.	1896.	Loss.
Number of sheep.....	1,161,702	727,509	434,193
Value of sheep.....	\$4,298,762	\$1,009,779	\$3,288,983

A loss in number of over 39 per cent and in value of over 61 per cent.

	1892.	1896.	Loss.
Number of hogs.....	2,596,260	1,654,772	941,488
Value of hogs.....	\$12,737,061	\$7,802,580	\$4,934,481

A loss in number of 36 per cent and in value of 39 per cent.



In 1891 the production of corn in the United States, as shown by the Statistical Abstract for the year 1896 (pages 293 and 294), was 2,060,154,000 bushels, valued at \$836,439,225; in 1895 it was 2,151,138,586 bushels, valued at \$576,509,106, showing an increase in production and a large decrease in value. I have not the statistics for 1896, but they will show an increased production over 1895 and a much further decrease in value.

In the year 1891 we produced in this country our largest crop of wheat, 611,780,000 bushels. The value of the crop was \$513,472,711. In 1895 we produced 467,102,947 bushels, the value of which was \$237,938,998, another great decrease in value.

In 1891 we produced 738,394,000 bushels of oats, valued at \$232,312,267; in 1895, 824,443,537 bushels, valued at \$163,655,068.

Now, Mr. Chairman, there has been a great deal of discussion on the subject of cattle, and an effort will be made to reduce the duty which the proposed bill places upon them, and there seems to be a great deal of concern on the part of some gentlemen here about the farmers of the far West having their corn and hay eaten by cattle imported from Mexico.

Mr. SIMPSON of Kansas. Grass.

Mr. STEELE. No; you do not seem to be concerned about having the grass eaten. What you seem to want is to have cattle raised in Mexico until they are 3 or 4 years old, and then bring them into this country, as 217,000 head were brought in last year, according to the Treasury report, at a valuation of only \$6.87 per head, a ridiculously low valuation, the duty collected on them being \$1.37 a head. Now, the farmer who lives in Kansas, Missouri, Tennessee, Kentucky, and Indiana must keep his cattle until they are 3 years old, when they come into competition with the cattle raised in Mexico and imported as "feeders."

Mr. SIMPSON of Kansas. Oh, no; he does not do that.

Mr. STEELE. He has got to do it, because they are not feeders until they are 3 years old. The man who commences to feed cattle corn before they are 3 years old ought not to be in the business, because he does not know enough. [Laughter.] Our farmers must keep their cattle three years on their pasture, hay, and corn; the latter, on account of the climate, must be fed for cattle to do well in winter. At 3 years old they will have cost for feed alone, saying nothing of the labor, at least \$20 per head. They start for the feeder's place then, the Mexican animal at \$6.87 per head and the American animal at at least \$20. Therefore, if our people did not come in competition with cattle that may be pastured the year round, raised in other countries, the thousands and thousands of acres of land upon which there is scarcely a hoof, in portions of Kansas, Texas, Colorado, Oklahoma, and in many other portions of our own country, would be devoted to raising cattle with which to supply our demands, not only for the market as fatted animals, but as feeders for Kansas, Missouri, and the Dakotas, etc. In Kansas and Texas alone there is enough grass land going to waste to raise about the number of cattle officially reported to have been brought from Mexico last year.

If the people of the former State would devote their time and

attention to the cattle industry instead of raising Populists to send here to misrepresent it, it would be better for all concerned. Two advantages would be derived therefrom. First, we would not send our money to any other country to buy what we can produce at home. Second, our farmers would be able to get fair prices for their products. For my friend to say that these cattle do not enter into competition with our cattle is preposterous. Two hundred and seventeen thousand head of them coming into this country annually from other countries and put to the shambles and not compete with us! It is ridiculous. I have no doubt at all that the number that came in by evading the customs officers was as great as that which came under their observation.

It is said that we should be reciprocal in our relations with Mexico. I am in favor of reciprocity, but I want to have something to say about what is a fair arrangement. When the American farmer sends a hundred pounds of wheat to Mexico, he must pay a duty of \$2.47, and to get flour there we must pay \$4.54 a barrel. What costs our farmer \$20 on each head of cattle will, under the proposed tariff, cost the importer \$6.87 a head, if the report of the collector correctly states the value, and after the tariff is paid \$12.87, a difference of \$7.13. Now, it occurs to me that this is advantage enough to give to the Mexican cattle raiser or to the American speculator who feeds them.

Mr. SIMPSON of Kansas. How does the gentleman account for this fact, that since the reduction of tariff on cattle there has been a large increase in the price.

Mr. STEELE. That we do not agree to.

Mr. SIMPSON of Kansas. That is a fact.

Mr. STEELE. As a matter of fact that is not correct.

Mr. SIMPSON of Kansas. The gentleman is mistaken. It is correct.

Mr. STEELE. The better grades of cattle, what are known as exporters, may bring as high a price in the market as they did prior to our importation of Mexican cattle. But the farmer of this country, in marketing his cattle, has been getting a much lower price for them, as a rule. I will insert the statistics on this question.

Mr. SIMPSON of Kansas. Does not the gentleman know that the kind of cattle we call "stockers" are as much as one-third higher now than they were three or four years ago, the same class of cattle?

Mr. STEELE. I should not be surprised if it is so in the portion of the country from which the gentleman hails, because in driving Mexican cattle through the country they have spread disease that nearly wiped out your native cattle. But in my section of the country feeders will not bring as much money as they did in 1890 to 1892.

The fall in prices of agricultural products since the enactment of the present tariff law is without parallel in the history of our country. The following table shows the agricultural schedules of the McKinley and Wilson-Gorman laws and those proposed in the pending bill:

	McKinley bill.	Wilson bill.	Dingley bill.
<b>Cattle:</b>			
Valued at not more than \$20 per head—			
One year old or over.....		20 per cent.....	\$6 per head.
Less than 1 year.....		do.....	\$2 per head.
Valued at more than \$20 per head.....		do.....	30 per cent.
One year old or less.....	\$2 per head.....		
More than 1 year old.....	\$10 per head.....		
<b>Horses and mules:</b>			
Valued at less than \$150 each.....	\$30 per head.....	20 per cent.....	\$30 per head.
Valued at more than \$150 each.....	30 per cent.....	do.....	25 per cent.
<b>Sheep:</b>			
Less than 1 year old.....	75 cents per head.....	do.....	75 cents per head.
More than 1 year old.....	\$1.50 per head.....	do.....	\$1.50 per head.
<b>Hogs:</b>			
Barley.....	30 cents per bushel.....	30 per cent.....	30 cents per bushel.
Barley malt.....	45 cents per bushel.....	40 per cent.....	45 cents per bushel.
Buckwheat.....	15 cents per bushel.....	30 per cent.....	15 cents per bushel.
Corn or maize.....	do.....	do.....	do.
Oats.....	do.....	do.....	do.
Rice, cleaned.....	2 cents per pound.....	1 1/2 cents per pound.....	2 cents per pound.
Rye.....	10 cents per bushel.....	30 per cent.....	10 cents per bushel.
Wheat.....	25 cents per bushel.....	do.....	25 cents per bushel.
Wheat flour.....	25 per cent.....	do.....	25 per cent.
Butter.....	6 cents per pound.....	4 cents per pound.....	6 cents per pound.
Cheese.....	do.....	do.....	do.
Milk, fresh.....	5 cents per gallon.....	Free.....	2 cents per gallon.
Beans.....	40 cents per bushel.....	30 per cent.....	50 cents per bushel.
Beans, peas, and mushrooms, prepared and preserved.....	40 per cent.....	30 per cent.....	2 1/2 cents per pound and 15 per cent ad valorem.
<b>Pickles and sauces.....</b>	45 per cent.....	do.....	40 per cent.
<b>Cabbages.....</b>	3 cents each.....	Free.....	3 cents each.
<b>Cider.....</b>	5 cents per gallon.....	do.....	5 cents per gallon.
<b>Eggs.....</b>	5 cents per dozen.....	3 cents per dozen.....	5 cents per dozen.
<b>Hay.....</b>	\$4 per ton.....	\$2 per ton.....	\$4 per ton.
<b>Honey.....</b>	30 cents per gallon.....	10 cents per gallon.....	30 cents per gallon.
<b>Hops.....</b>	15 cents per pound.....	8 cents per pound.....	15 cents per pound.
<b>Onions.....</b>	40 cents per bushel.....	20 cents per bushel.....	40 cents per bushel.
<b>Pease:</b>			
Dried.....	20 cents per bushel.....	do.....	50 cents per bushel.
Green.....	40 cents per bushel.....	Free.....	40 cents per bushel.
<b>Potatoes.....</b>	25 cents per bushel.....	15 cents per bushel.....	25 cents per bushel.
<b>Straw.....</b>	30 per cent.....	15 per cent.....	\$1.50 per ton.

	McKinley bill.	Wilson bill.	Dingley bill.
Apples:			
Green or ripe.....	25 cents per bushel.....	20 per cent.....	25 cents per bushel.....
Dried, desiccated, evaporated.....	2 cents per pound.....	do.....	2 cents per pound.....
Grapes and peaches.....	60 cents per barrel.....	do.....	1 cent per pound.....
Bacon and hams.....	5 cents per pound.....	do.....	5 cents per pound.....
Beef, mutton, and pork.....	2 cents per pound.....	do.....	2 cents per pound.....
Lard.....	do.....	1 cent per pound.....	do.....
Poultry:			
Live.....	3 cents per pound.....	2 cents per pound.....	3 cents per pound.....
Dressed.....	5 cents per pound.....	3 cents per pound.....	5 cents per pound.....
Tallow.....	1 cent per pound.....	Free.....	1 cent per pound.....
Wool:*			
Class 1—			
Unwashed.....	11 cents per pound.....	do.....	11 cents per pound.....
Washed.....	22 cents per pound.....	do.....	22 cents per pound.....
Scoured.....	33 cents per pound.....	do.....	33 cents per pound.....
Class 2—			
Unscoured.....	12 cents per pound.....	do.....	12 cents per pound.....
Scoured.....	36 cents per pound.....	do.....	36 cents per pound.....
Sorted.....	24 cents per pound.....	do.....	24 cents per pound.....
Class 3—			
Valued at less than 13 cents per pound.....	32 per cent.....	do.....	32 per cent.....
Sorted.....	64 per cent.....	do.....	64 per cent.....
Valued at over 13 cents per pound.....	50 per cent.....	do.....	50 per cent.....
Sorted.....	100 per cent.....	do.....	100 per cent.....
Sugar:			
Beet—			
Not above No. 10 Dutch standard.....	Free.....	40 per cent and $\frac{1}{2}$ cent per pound.....	1.875 cents per pound.....
If bounty is paid.....	do.....	40 per cent and $\frac{3}{8}$ cent per pound.....	Do.....
Cane sugar—			
Not above No. 10 Dutch standard.....	do.....	40 per cent and $\frac{1}{2}$ cent per pound.....	Do.....
If bounty is paid.....	do.....	40 per cent and $\frac{3}{8}$ cent per pound.....	Do.....
Grape sugar.....	do.....	15 per cent.....	14 cents per pound.....

\* Important changes in the classifications have been made in this schedule which will inure to the benefit of woolgrowers.

By placing articles on the free list or greatly reducing the duty, as above indicated, the farmers of foreign countries are enabled to flood our markets with their products, even though prices have been ruinously low. The free list and reductions of duty by the law of 1894 in some cases seriously crippled, in others utterly destroyed, our manufacturing industries, on account of which thousands upon thousands of persons once employed at good wages were either thrown out of employment or had their wages greatly reduced, thus seriously crippling the very best market our farmers and market gardeners have.

Mr. Chairman, for the information of the committee I will present a short list, taken from Democratic official reports, showing the amount of produce imported into this country during the fiscal year ending June 30, 1896, every item of which, excepting rice, sugar, and wool, are articles that can be produced or were produced in this country in sufficient quantity to supply our needs; and if the McKinley law had not been repealed by the Wilson-Gorman Act we would now be producing nearly, if not quite, all the wool we need for home consumption and thousands of tons more sugar than we are now.

The value of a few articles imported into the United States during the fiscal year ending June 30, 1896.

	Free of duty.	Dutiable.
Animals.....	\$423,687.20	\$2,749,180.47
Breadstuffs.....	257,558.04	1,082,302.73
Eggs.....		88,701.76
Hay.....		2,772,082.04
Hops.....		610,839.24
Provisions, including meats and dairy products.....		2,080,718.80
Rice.....		1,804,000.16
Seeds.....	1,295,104.75	1,302,035.42
Sugar and molasses.....	11,302,065.00	72,895,157.54
Vegetables.....		2,556,051.34
Wool, etc., unmanufactured.....	33,464,514.20	
	46,802,929.94	86,011,090.20
Total, free and dutiable.....		134,813,989.64
Total imports, all articles free of duty, 1896.....		868,897,523.37
Total dutiable.....		380,796,561.12
Total, free and dutiable.....		759,694,084.49

\* Value imported 1895, \$324,217.43.

I do not claim, however, that the importation of the articles enumerated, excepting wool, has materially affected the prices in this country, but on account of the possibility of importation, owing to the free list or low tariff, and of the impossibility of our shippers knowing when they must compete in our great markets with train loads or cargoes of products from other countries, they must prepare to meet foreign prices and buy at such figures as would render their investment safe, which is the more easily done when we have produced more than our home market can take. The fact must not be lost sight of that the importations enumerated

occurred in a year when more people were out of work in this country than ever were before, and when we were blessed with bountiful crops.

What I have said up to this time has been devoted to farming interests, in which occupation more people are employed than in any other. I regret that my time will not permit of further remarks concerning this important industry, nor will I leave it without reminding you that the farmer is a liberal buyer of almost every useful article the merchant or manufacturer has to sell, and that he cheerfully pays good wages to the mechanic and laborer.

The State of Indiana, which I have in part the honor to represent, is not only high up on the list as an agricultural State, but is fast forging to the front as one of the great manufacturing States of the Union, having in 1890, according to the census report for that year, 140,000 persons employed in manufacturing. This number was rapidly increasing at that time, owing to the discovery in 1897 within her borders of the largest natural gas field in the world, the permanence of which was not fully relied upon until 1888 or 1889. This enabled our citizens to offer to the manufacturer free land, and free gas for fuel, as an inducement to locate. Take as an illustration the growth which resulted in my own city of Marion, the population of which in 1880 was 2,990; in 1886, 3,883; in 1890, 8,950, and in 1894, 19,925. The same may be said of Anderson, Muncie, Kokomo, and many other cities within the gas belt, while other cities within the district I have the honor to represent, such as Huntington, Wabash, Peru, and Logansport, to which gas is piped from the fields, also shared in the benefits of the industrial impetus which resulted. There are to-day in Indiana a number of incorporated cities, with modern municipal improvements, where there were only fields and woods in 1888.

Following the election in 1892, there was a great change in the industrial outlook, even in the Indiana gas belt. Confidence was destroyed in anticipation of legislation inimical to the development of manufactures, and a halt was called in all the great industrial enterprises which were adding to the wealth and population of the State, and to the prosperity of its people. Merchants began to trim their sails like the mariner in the face of an impending storm, expenditures were curtailed, and the goods manufactured during the winter of 1892, in anticipation of a ready sale in 1893, became a glut on the market and went begging for purchasers. In the end the manufacturers were forced to sell the output of their mills at a price below the cost of production. It was under such conditions that the manufacturers of Alabama, who have been referred to, sold products abroad at ruinously low prices for the want of a better market at home.

As a necessary consequence, factories were closed by hundreds, and thousands upon thousands of wage earners were deprived of employment. Many of them took the road as tramps who would not have dreamed of so doing under the conditions which prevailed in this country prior to 1893. Some of them, who had before been the willing customers of farmers and gardeners, themselves became competitors of those whom they had formerly



patronized, and raised vegetables in their own little gardens. There was a decreased consumption of agricultural products, caused by an inability of the factory employee to supply his real wants by purchase from the farmer, who also suffered. There was a decrease even in the amount of wheat consumed in the United States from 1892 to 1895 of over 2 bushels per capita, notwithstanding the greatly reduced price of this commodity.

The conditions prevailing in the Indiana gas belt from 1888 to 1892 came within my personal knowledge. I know that during that period all those who desired employment could obtain it at good wages in the multiplying manufactories of that section. Wage earners were buying lots and building their own homes, furnishing them tastefully, dressing their families well, sending their children to school, and providing for the wants of those who depended upon them in a liberal manner. They were accumulating money in savings banks and building and loan associations. Under such conditions they were willing and able to pay to the farmer and market gardener, the tradesman, merchant, and mechanic, a fair price for what he had to sell, and let me here bear testimony to the fact that there is no class of people which more cheerfully pays a fair price for articles of consumption than the employees of our manufacturing establishments when they receive fair compensation and steady employment.

I can look back over the four years of the last Administration to 1892, and see hundreds and hundreds of factories filled with thousands of happy and contented employees, great pillars of flame arising from the chimneys of busy factories, and can hear the roar of the furnaces and the whir of turning wheels, the surroundings of these employees in their homes denoting a generally diffused prosperity. Within a year of that time scores of great establishments stood idle, with dead furnaces and broken window lights denoting the blight which had fallen upon industry. In the homes of their idle employees there were evidences of poverty. Two and three families were crowded into houses formerly occupied by one. Homes they were building and paying for had to be sacrificed. But this is a picture I will not dwell upon. It was not peculiar to Indiana, for the gas belt, with its cheap fuel, has continued to offer superior advantages to manufacturers. I prefer to look forward to a time, which I earnestly hope and believe is not far off, when manufacturing and all other business will be revived, when wage earners shall have steady employment at good wages, and will be able to accord to the farmers, or those otherwise employed, a fair price for what they have to sell.

It will not do for our free-trade friends to roll over as a sweet morsel the fact that American-made goods may sometimes be sold in foreign markets at a lower price than they are sold at home. Why not, if we can thus increase the output of our factories and give employment to more laborers, if that is the only way of finding a market? Business men will not lose sight of the fact that before the owner of the manufactory can declare any dividends he must pay for the labor and material required to produce the manufactured product, must bear the cost of wear and tear on machinery and tools, and generally pay interest upon the investment involved, as well as insurance and taxes upon his plant. As a rule, during the past four years it has required every cent of the income, and more, to keep the factory going. It is better that we protect our own home market from the invasion of foreigners and sell our surplus abroad at the low price determined by foreign competition than to surrender the very foundation of our industrial prosperity—good wages for employees.

Why, within the past year coal operators in Virginia have, on account of their former market in New England being glutted by importations of coal from Nova Scotia and of the decrease in the consumption of coal there on account of the closing of factories, been shipping train loads of coal to Indianapolis and Chicago and selling it at a lower price than that for which it can be mined and delivered from the coal fields within a few miles of these two cities, and has forced our Indiana miners to work at starvation wages, if employed at all, and there have been strikes, misery, and want throughout the coal fields of our State. The mine operator could not tell when he would find a train load of coal from mines 800 miles away to compete with him for a market already greatly depressed, because our people were earning little to buy coal with, and the closing of factories had caused a great decrease in the demand for manufacturing purposes.

Men employed on railroads came in for their full share of the loss, which ultimately extended to every avocation. The Virginia coal was shipped at a loss, to be sure. So in the manufacture of bar and other iron, which has been referred to. It is possible for Pittsburg to ship bar iron into Alabama, where coal is found on one side of a valley and the ore on the other, and undersell them, but it must be done at a loss. Similarly, Alabama may ship iron to Pittsburg; but there is a lack of business sense in such transactions, and business men will engage in them only because they are compelled to do so and to save their financial credit, which has so often been necessary during the past few years.

We are not much concerned in finding a foreign market in

which we can compete with the manufacturers of other countries at prices which do not represent the actual cost of production, if the commodity has been produced after the charges above enumerated, including fair wages, have been met. I prefer to maintain our home market for such of our products as we can consume, and shall welcome the day—and I hope it is not far off—when we can supply not only our own people, but those of other countries with the best goods that it is possible to manufacture by means of good workmanship and ingenious machinery. I desire, Mr. Chairman, to return to the conditions prevailing at a time within the remembrance of us all, when every man who desires work in this country may be employed at good wages, and with those wages may become the profitable customer of those who have commodities to sell.

Our people realized, after it was too late, that they had not given the McKinley law a fair trial, or had been indifferent or careless in permitting the "tariff-for-revenue or free-trade party" to come into power. I need not remind you of the result of the election that year, and will only gently speak of that of 1896, notwithstanding your efforts to muddy the water with a new issue.

I earnestly and solemnly appeal to the friends of protection to home industries, to all who have families and homes, or hope to have them, and would have happiness therein, never to repeat the folly of 1892. Try the Dingley law, failing not to remember what a shock has come to business and to business confidence during the past four years. We must not expect instant relief for a condition so distressing, but in the end it may be expected. We will again pass the bill restricting immigration that was passed at the last session, vetoed by President Cleveland, and by the House passed over his veto, thus giving to labor additional protection from foreign competition. We will provide an abundance of money with which to transact the business of the country, and every dollar of it worth a dollar any place in the world. But it should not be forgotten that industrial conditions have sunk to their lowest ebb, and we must patiently await the return of the tide.

The Republican party has never failed in the face of a national emergency, and it will not fail now. Remember the rapidity with which the Republican party was reducing the national debt and meeting every obligation of the Government, and that the McKinley Act of 1890 was to "reduce the revenue, and equalize the duties on imports," the party feeling that there was no occasion for further reduction of the national debt. The wisdom of the framers of that law is universally acknowledged by Republicans and known by Democrats. You never can forget the Wilson-Gorman law on account of the distress that followed in its wake, and because each year the revenues of the Government have fallen far short of enough to meet its expenses. You will not easily forget that during the last Administration our national debt was increased by \$262,000,000.

When the bill under consideration is enacted, we will have the protection of the McKinley law, with its reciprocity features extended, and McKinley as President of the United States. [Loud applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Indiana [Mr. STEELE] has expired.

Mr. DOLLIVER. Do you wish more time?

Mr. STEELE. No; I can not take it without infringing on that of others. Just a minute more. I want to call the attention of the gentleman from Ohio [Mr. LENTZ], who has been referring to the showing made in the last election by the gentleman from Iowa [Mr. DOLLIVER] and the gentleman from Ohio [Mr. GROSVENOR], to some facts about his own district. In 1894 the majority against Mr. Watson was 424—he had a plurality—while in 1896 the majority against him was but 106. So that my friend, in criticising the gentleman referred to, it seems to me, has placed himself at a decided disadvantage.

Mr. LENTZ. Will the gentleman allow me to make a statement in connection with those figures?

Mr. STEELE. You have made your statement and refused to yield.

Mr. LENTZ. I have not made any statement with reference to my own district.

Mr. STEELE. I know you did not, but you refused to yield to others.

Mr. LENTZ. I said I was willing to yield to others if the time were given in which to do it.

Mr. STEELE. I can not yield to the gentleman.

Mr. LENTZ. Very well.

Mr. STEELE. These are the figures from the record. I now yield one minute to the gentleman from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. I wish to occupy only a minute. I should have been pleased if the gentleman from Ohio [Mr. LENTZ] had had the courtesy to allow me to correct an error when he made it. My vote in 1894, which appeared to be one of the features of his argument, instead of being a majority of 15,000, if correctly calculated, as it is not in the Directory, through no fault of mine,

however, would have been 7,500, which, by diligence in the last campaign, I was able to increase to 11,000; and if the campaign had lasted two weeks longer, they would have made it unanimous. [Laughter.]

Mr. LENTZ. Talking about courtesy, I should like to ask the gentleman—

Mr. STEELE. I can not yield.

Mr. LENTZ. I should like to ask further if in his own biographical statement the gentleman did not say 15,000?

The CHAIRMAN. The gentleman declines to yield.

### The Tariff.

Wherefore by their fruits ye shall know them.

Rate of taxation under the McKinley law.....	49.58 per cent.
Rate of taxation under Wilson law.....	39.94 per cent.
Rate of taxation under Dingley bill.....	57.03 per cent.

Annual taxes under the McKinley law.....	\$198,393,452.97.
Annual taxes under Wilson law.....	156,104,598.81.
Annual taxes under Dingley bill.....	278,501,721.53.

### REMARKS

OF

HON. JAMES D. RICHARDSON,

OF TENNESSEE.

IN THE HOUSE OF REPRESENTATIVES,

March 29, 30, and 31, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. RICHARDSON said:

Mr. CHAIRMAN: The examination of the Dingley bill proves it to be a measure which will fix the highest rates of taxation on the people ever imposed by any law in our history. Take the Morrill tariff law, which was enacted to carry on the war and provide revenue for that purpose; the tariff law of 1883; the tariff law known as the McKinley law; the present, the Wilson law, and they are all greatly exceeded by the pending measure in exactions laid upon the people.

From the comparative statement prepared by the Ways and Means Committee to accompany and elucidate this bill it appears that the average rate of tax imposed by the two great tax laws, the McKinley and Wilson acts, were as follows: McKinley Act, 49.58 per cent; Wilson Act, 39.94 per cent, while this bill fixes the rate at the enormous sum of 57.03 per cent. I know the accomplished chairman of the Ways and Means Committee, in his opening speech and all along in the debate, has claimed that the rates in this bill were fixed so as to fall between those of the McKinley and those of the Wilson bill. But this I deny, and the figures I have just submitted prove my contention is correct. But look further. The taxes collected per year under the McKinley Act were \$198,393,452.97; under the Wilson Act, \$156,104,598.81; while the gentleman himself proposes to collect under the pending bill the great sum of \$278,501,721.53. These figures are conclusive and place the question beyond dispute. As we proceed in the discussion of the bill under the five-minute rule I shall call attention in detail, as far as I am able to do, to the increases of taxation. In very many instances this bill takes articles now on the free list under the Wilson law, and even some that were on the free list under the McKinley Act, and places them on the dutiable list at a high rate of taxation. This is wrong, radically wrong, in my judgment.

Mr. DOCKERY. Do I understand the gentleman from Tennessee to say that this bill increases rates over the McKinley bill?

Mr. RICHARDSON. Mr. Chairman, that is exactly what I am attempting to say here. This bill is made up of fourteen schedules, beginning with the letter A and running down to and including the letter N. What I shall now show may not be known by the gentleman from Missouri [Mr. DOCKERY] or the gentleman from Texas [Mr. SAYERS], who are making inquiries, and pertinent ones, as to increases upon some of these articles. I take this occasion to say that in 12 out of 14 schedules in this bill the rate of duty is higher than under the McKinley bill—12 out of 14! Gentlemen have piled up taxes in this bill beyond the taxes imposed by the McKinley bill. Take the first schedule in the bill, Mr. Chairman—chemicals, oils, and paints. The per centum in the McKinley bill was 30.7; under the Wilson bill, 27.99; under the Dingley bill it is about 31.33, a small percentage of increase in

this case, it is true, but a higher rate than that imposed by the McKinley bill.

While the average rate is shown to be higher, let me call attention to the largely increased taxes which will be collected under this bill over the McKinley and Wilson acts.

The tax collected under the McKinley Act on this schedule, called Schedule A, chemicals, oils, and paints, was the sum of \$6,399,522.42; under the Wilson Act, \$5,513,545.78; the Dingley bill, \$8,418,198.19. In this schedule there are eighty-two items, and on forty-nine specified articles therein the taxes are raised above the McKinley law.

Take Schedule B—earths, earthenware, and glassware. I find the rate under the McKinley bill was 51.20 per cent; under the Wilson bill, 35 per cent, and under the Dingley bill, 52.63 per cent.

The average rate is higher in this schedule than the McKinley law. The amount of taxes to be collected under it are in excess of those collected under that law. In the schedule are thirty-five items, and the taxes are raised above the McKinley law in twenty-nine cases, while thirteen items on the free list under the Wilson law in it are placed on the dutiable list by this bill.

Schedule C—metals, and manufactures of metals. This is one of the schedules of the fourteen—and there is only one other—where the rates are lower in this bill than in the McKinley bill. In the McKinley bill the average tax in this schedule was 57.21 per cent; in the Wilson bill, 37.58 per cent; in the Dingley bill, 46.54 per cent. There is only one other schedule, and I will call attention to it in a moment, that is in that condition.

Under the Wilson Act the taxes collected under this schedule were \$13,334,652.30, and under this bill they are increased to \$17,169,901.82.

Schedule D—wood, and manufactures of wood. Under the McKinley bill the average rate was 14.93; under the Wilson bill, 22.87; under the Dingley bill, 16.58.

Mr. DINGLEY. Less than the Wilson bill.

Mr. RICHARDSON. Yes, sir; less than the Wilson bill. I am glad the gentleman mentions it. Under the McKinley bill the taxes collected, at an average of 14.93 per cent, were \$1,857,000 in round numbers. Under the Wilson bill, although the rate was higher, the amount collected was only \$384,000. Under the Dingley bill it is estimated that there will be collected or imposed of taxes \$2,306,000. Now, the difference grew out of the fact that lumber in part was upon the free list under the Wilson bill, and while the rate was a little higher on the articles upon which a tax was laid, the amount collected was six times greater under the McKinley bill, and will be seven times greater under the Dingley bill, than under the Wilson bill. And yet the gentleman says taxes are not being increased by the pending measure.

In this schedule there are only thirteen items. But there are eleven increases over the McKinley bill, while there are thirteen articles in it that are on the free list under the Wilson Act which are heavily taxed by the pending bill.

Mr. DOCKERY. Will the gentleman from Tennessee allow me to ask him how he reconciles the statement he just made with the statement made by the chairman of the committee in his opening remarks? In reply to a question of the gentleman from Iowa [Mr. HENDERSON] he stated, if I remember him aright, that the rates of duties under this bill average between the rates of the McKinley law and the rates of the Wilson Act.

Mr. RICHARDSON. These figures which the gentleman himself has submitted in this comparative statement do not bear that out. Take Schedule E. Under the McKinley bill the per cent was 14.55.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DOCKERY. I ask unanimous consent that the gentleman from Tennessee have five minutes more.

There was no objection.

Mr. RICHARDSON. I thank the committee. Take Schedule E. Under the McKinley Act the tax was 14.55 per cent; under the Wilson bill, 40.94, but under the Dingley bill it goes to 71.10.

Mr. SAYERS. The gentleman must remember that under the McKinley Act a bounty was given on sugar.

Mr. RICHARDSON. Of course we all remember that. I thank the gentleman for his suggestion.

Next I take Schedule F—tobacco and manufactures of tobacco. Under the McKinley Act the rate was 117.82; under the Wilson Act it was 109.06; under the Dingley bill it is 164.05.

The taxes under the McKinley bill on the articles in this schedule were, in round numbers, \$14,800,000, while under this law they are to be \$22,352,701.34.

Schedule G: Agricultural products and provisions. Under the McKinley Act the tax imposed was 33.07; under the Wilson Act, 23.28, and under the Dingley bill it is 39.94.

Under the McKinley Act the taxes imposed by this schedule amounted, in round numbers, to \$12,000,000; under the Wilson Act to \$7,000,000, and under this bill to \$15,000,000, while there were twenty-five articles in it which were on the free list under the Wilson Act that are taxed by this bill.



Schedule H: Spirits, wines, and other beverages. Under the McKinley Act the rate was 69.78; under the Wilson Act it was 61.54; under the Dingley bill it is 77.01.

Schedule I: Cotton manufactures. This is a schedule wherein the tax under this bill is lower than it was under the McKinley Act. Under the McKinley Act on this schedule it was 55.21; under the Wilson Act it was 48.75; under the Dingley bill it is 54.14.

I call attention, however, to the fact that the increase of tax is a large one over the Wilson Act, and this increase amounts to nearly \$2,000,000.

Schedule J: Flax, hemp, jute, and manufactures of. Under the McKinley Act the rate was 43.68; under the Wilson Act it was 40.38; under the Dingley bill it is 49.52.

The amount of tax collected under this schedule by the McKinley Act was, in round numbers, \$18,000,000; under the Wilson Act, \$12,000,000; by this bill, \$21,000,000, and many articles on the free list under the Wilson Act are taxed by the pending bill.

Schedule K: Wool, and manufactures of wool. Under the McKinley Act the rate was 80.50; under the Wilson Act it was 47.62, and under the Dingley bill it is 81.57.

This is where the poor man's blanket comes in. [Laughter.]

The odious McKinley law placed a tax upon the people in this schedule of \$44,608,120.95; the Wilson Act reduced this tax to \$23,027,569.87, while this bill puts this tax at the marvelous sum of \$67,556,899.85. Surely an indignant people will resent this outrage in thunder tones at the earliest opportunity.

It is of the highest importance to all buyers, especially wage earners, farmers, and laborers, to know what the annual clothing supply and the necessary woollen manufactured goods will cost consumers in the United States. If gentlemen deny the orthodoxy and the reliability of the Republican newspapers I have quoted in this debate, none of them, I am sure, will have the hardihood to deny the preeminent ability of Mr. Edward Atkinson, of Boston, as a statistician and political economist. We all know he has no superior in the United States. He has made a detailed statement of some of the effects of the rates in the wool schedule of this bill. I do not give this statement in full, but will give it as it has been put in condensed form. It is of great importance to all the people, and is as follows:

Mr. Atkinson figures the advance in the price of foreign wool now consumed in this country—375,000,000 pounds—will be 10 cents a pound. This tax will be paid by consumers of clothing in the sum of \$37,500,000. The protection to the domestic woolgrower will then consist in raising the price of domestic wool consumed, 275,000,000 pounds, 10 cents a pound. That would give to the woolgrowers a bounty of \$27,500,000, making the total tax, public and private, upon consumers of woollen goods \$65,000,000. On this basis, each man, woman, and child in our population will pay into the Treasury on the average a tax on clothing of 50 cents per head.

Mr. Atkinson shows that each man, woman, and child will pay increased costs of imports 4 cents per head. Each man, woman, and child will pay to the woolgrowers a bounty of 86 cents per head. Total per capita taxation on clothing, 90 cents per head, on a computed population of about 73,000,000 persons. That tax would be equal to one-fifth part of the total cost of conducting the Government of the United States during the four years of President Cleveland's first Administration, when the expenditures were a fraction under \$4.50 per head, including interest and pensions.

Mr. Atkinson speaks of the taxes and the bounties the Dingley bill proposes to make the people pay for the direct benefit of the woolgrowers and wool manufacturers, without adding a cent to the Treasury; and also as to how it takes money from the Treasury for private gain. He says:

The value of domestic wool at the highest estimate of the largest product of any one year, when the clip reached about 550,000,000 pounds, was \$52,000,000, as given by Secretary North, of the Ways and Means Committee. We may call it \$55,000,000 to give a margin for error. The value of the total product of that year, rated at what 50 cents a day would buy in food, fuel, shelter, and clothing in that year, came to a little over \$13,200,000,000. The proportionate value of wool to the total product on this estimate is 1 to 240. If we apply this ratio of values to population, it follows that 239 men, women, and children are to be subjected to a tariff tax of 90 cents each in order that 1 woolgrower may augment his private income with his proportionate share of the sum of \$7,500,000 bounty. This sum it is proposed to divert from the pockets of the people and from the Treasury of the United States to the private gain of this small fraction of the people of this country under the pretext of the general welfare.

During the reading of the above the time of Mr. RICHARDSON expired.

Mr. RICHARDSON. I trust I may be permitted to conclude reading that article.

There was no objection.

Schedule L: Silk and silk goods. Under the McKinley Act the rate was 53.50; under the Wilson Act it was 46.96, and under the Dingley bill it is 53.89. That is, while they made the duties on blankets, and the whole wool list, considerably higher even than under the McKinley Act, the average duty on silk goods under this bill is 53.89, or only a fraction of 1 per cent above the rate under the McKinley law.

Schedule M: Pulp, paper, and books. Under the McKinley Act the average rate was 23.85; under the Wilson Act, 22.19; under the Dingley bill it is 29.82.

Next comes "sundries," the only remaining schedule. Under the McKinley Act the rate was 26.06; under the Wilson Act it was 23.63; under the Dingley bill it is 30.57.

Under this schedule are included numerous articles. I wish I

had time to comment on them all, but I can not do so. As a sample, take the necessary article to us, buttons.

I ask the attention of the committee to what an intelligent writer says of the duties on buttons and the button schedule. He shows that the Dingley bill places a duty or tax on linen for buttons for underwear of 607 per cent. [Applause.]

The tremendous exactions upon buttons are causing protests all over the East as well as in the West. An analysis of the button schedule by a New York expert shows ad valorem duties which mount skyward, even higher than anything in the McKinley law. Steel trouser buttons costing 10 cents per gross are to pay 21 cents, or 210 per cent ad valorem. This is only a starter. Vegetable ivory buttons, for men's wear, costing 17 cents and a fraction per gross, pay only 130 per cent, but this appears to be a blunder on the part of the tariff framers. They make a better record, from the protective point of view, upon French bone buttons for underwear, which mounts to 150 per cent, and on linen bar buttons for underwear, which go to 447 per cent. These are all surpassed by the rate on nickel bar buttons for underwear, which are charged three-fourths of 1 cent per line per gross, amounting to a duty of 13 cents on buttons of 24 lines, button measurement, when the cost for 12 gross is only 361 cents. The duty, therefore, is more than six times the foreign cost, and is computed by the expert as 607 per cent. The present duty is 35 per cent, so that the new duty is more than fifteen times the old and is substantially prohibitory upon all imports of foreign buttons. The domestic manufacturer has the market shut up in his control to the point which permits him to charge six times the foreign cost in order to put his infant industry upon a manhood footing.

The able and accomplished chairman of the Ways and Means Committee may say this is "juggling" with figures, but the American buyer of buttons will pay for this "juggling" with the duty on this article of prime necessity. The millionaire manufacturer will be made happier and richer while the "juggling" is multiplying his profits, given him by law, and which he has in no sense earned, except by liberal contributions to Republican campaign funds. [Applause.]

I will insert here a table showing the rates of duty under each of the schedules of the bill, also under the Wilson bill, and also the McKinley bill:

SCHEDULE A.—CHEMICALS, OILS, AND PAINTS.		
	Per cent.	
McKinley bill	31.07	
Wilson bill	27.99	
Dingley bill	31.33	
SCHEDULE B.—EARTHS, EARTHENWARE, AND GLASSWARE.		
	Per cent.	
McKinley bill	51.30	
Wilson bill	35	
Dingley bill	52.63	
SCHEDULE C.—METALS, AND MANUFACTURES OF.		
	Per cent.	
McKinley bill	57.21	
Wilson bill	37.58	
Dingley bill	48.54	
SCHEDULE D.—WOOD, AND MANUFACTURES OF.		
	Per cent.	Amount.
McKinley bill	14.03	\$1,857,802.96
Wilson bill	22.87	384,712.85
Dingley bill	16.53	2,306,568.99
SCHEDULE E.—SUGAR.		
	Per cent.	
McKinley bill	14.55	
Wilson bill	40.94	
Dingley bill	71.10	
SCHEDULE F.—TOBACCO, AND MANUFACTURES OF.		
	Per cent.	
McKinley bill	117.82	
Wilson bill	109.05	
Dingley bill	164.05	
SCHEDULE G.—AGRICULTURAL PRODUCTS AND PROVISIONS.		
	Per cent.	
McKinley bill	33.17	
Wilson bill	23.29	
Dingley bill	39.94	
SCHEDULE H.—SPIRITS, WINES, AND OTHER BEVERAGES.		
	Per cent.	
McKinley bill	69.78	
Wilson bill	61.54	
Dingley bill	77.01	
SCHEDULE I.—COTTON MANUFACTURES.		
	Per cent.	
McKinley bill	55.25	
Wilson bill	43.75	
Dingley bill	54.14	
SCHEDULE J.—FLAX, HEMP, AND JUTE, AND MANUFACTURES OF.		
	Per cent.	
McKinley bill	43.68	
Wilson bill	40.38	
Dingley bill	49.52	
SCHEDULE K.—WOOL, AND MANUFACTURES OF.		
	Per cent.	
McKinley bill	80.50	
Wilson bill	47.62	
Dingley bill	81.57	
SCHEDULE L.—SILK AND SILK GOODS.		
	Per cent.	
McKinley bill	53.56	
Wilson bill	46.96	
Dingley bill	53.89	
SCHEDULE M.—PULP, PAPER, AND BOOKS.		
	Per cent.	
McKinley bill	23.85	
Wilson bill	22.19	
Dingley bill	29.82	
SCHEDULE N.—SUNDRIES.		
	Per cent.	
McKinley bill	26.06	
Wilson bill	23.63	
Dingley bill	30.57	

I repeat the whole amount of taxes raised under the McKinley law was \$198,373,452.97; the Wilson law, \$156,104,598.81, while under the pending bill of iniquities the people will be taxed to the enormous sum of \$273,501,731.53.

Now, Mr. Chairman, I simply want to say this: If the wrath of the American people was visited upon the Republican party for its enactment of that high protective-tariff measure known as the McKinley Act, what will the American people do with this same old party for enacting a tariff so much higher in its rates of duties than those of the McKinley Act? [Applause on the Democratic side.] I tell you, gentlemen, in the slang of the street boy, that what they will do for you will be "more than a plenty," and I leave the issue with you. [Applause on the Democratic side.]

Mr. DINGLEY. Mr. Chairman, the remarks of the gentleman from Tennessee [Mr. RICHARDSON] are another illustration of a familiar method of juggling with percentages. Notwithstanding the fact that in the bill which is now pending before the Committee of the Whole, in every schedule except the agricultural, the earthenware and glass, tobacco, sugars, and silk laces, the present bill carries actual duties less than were carried in the act of 1890, and notwithstanding the fact that in two of the schedules it carries duties substantially the same as those in the present law, yet, if you convert these specific duties into ad valorem percentages, not taking into consideration the change of values between 1893 and 1896, you appear to have an increase of duties imposed, when, as a matter of fact, the actual duties imposed are less.

Let me illustrate how this is accomplished: Here is a certain article which in 1890 had a foreign cost of 60 cents, and in this country had a cost of production of 90 cents. The difference in cost of production was 30 cents. A specific duty of 30 cents was imposed under the act of 1890, which was equivalent to 50 per cent on the then foreign value of the goods. Now, this bill imposes precisely the same specific duty, 30 cents; but in the meantime that article has fallen 10 cents abroad and 10 cents in this country, making the value of the article to-day in the foreign country 50 cents and in this country 80 cents, showing precisely the same difference in cost of production, arising from the higher price of labor here, that existed in 1890. The same duty is imposed as under the act of 1890, a specific duty of 30 cents; yet, by the jugglery of percentages, the gentleman from Tennessee is able to say that now the duty has become 60 per cent and that we have increased the duty, when, as matter of fact, we have not increased it a single cent, and the increase exists only in the jugglery of percentages.

Mr. RICHARDSON. Then you "juggle," because this is your statement which shows the percentages.

Mr. DINGLEY. Not at all. We have simply framed that statement so that even in spite of juggling the facts may appear.

Mr. RICHARDSON. I take my figures exactly from this statement.

Mr. DINGLEY. I understand what the gentleman has done. Now I want to call attention to what the fact is. The gentleman has undertaken to create the impression that in every schedule but two in this bill the duties are increased over those of the act of 1890. I say, in reply, that, outside of the sugar schedule and the other schedules I have named, there is no increase in the actual duties, but a reduction. But you convert those figures into juggling percentages, and thus there appears to be an increase when there has been actually a reduction, for the reason I have suggested.

Another thing: Those percentages are estimated on the invoice values of the last fiscal year. Now, we all know that when the act of 1894 was passed, the specific duties of the act of 1890 were converted almost entirely (outside of two schedules) into ad valorem duties. And the moment that was done, what took place in the invoices? Every invoice was undervalued, and goods which did not actually fall in price abroad were in the invoices made to appear to fall. So that you have here, in the basis on which these percentages were computed, the undervaluations of last year, which in nine cases out of ten do not represent the actual foreign value of those goods.

Mr. RICHARDSON. I dislike to interrupt the gentleman, but I would like to ask him right here—

The CHAIRMAN. The time of the gentleman from Maine has expired.

Mr. RICHARDSON. I ask that the gentleman's time be extended?

The CHAIRMAN. If there be no objection, the time of the gentleman from Maine will be extended for five minutes.

There was no objection.

Mr. RICHARDSON. I understand the gentleman to be commenting upon the ad valorem duties of the Wilson bill; and I recognize the difficulty in calculating an accurate per cent—

Mr. DINGLEY. It is not simply a "difficulty," I am pointing out the fact of actual false valuations.

Mr. RICHARDSON. But the gentleman must not get away from the fact that the statement I have just read gives the specific

duties of the act of 1890 in the McKinley bill as compared with the specific duties of the Dingley bill.

Mr. DINGLEY. It does not make any difference with reference to that. As a matter of fact, when you compare the valuations of 1893 with the valuations of 1896—the foreign valuations, upon precisely the same articles—you find an immense undervaluation on the basis of 1896, because it must be borne in mind that the values upon which you compute the effect of the proposed bill are the values in 1896, not those of 1893.

Mr. RICHARDSON. Is not this bill made up upon almost identically the same principle as the act of 1890—the McKinley bill?

Mr. DINGLEY. But your equivalent ad valorem are based in the one case on the invoiced values of 1893 and in the other case on the invoice values of 1896. That is the difficulty with the comparison. There has been an immense undervaluation in goods since 1893; and goods have fallen, too, in consequence of the great depression of business. Now, you are undertaking to compare the prices of 1893 with the prices of 1896, and to convert them into ad valorem, with the result of deceiving the country. Now, what I have to say—

Mr. RICHARDSON. Then you have made an improper statement here, because this is your statement.

Mr. DINGLEY. While it is true that the figures themselves may, perhaps, be as the gentleman represents, the conclusions drawn depend a great deal upon how you use them. [Laughter.]

Mr. RICHARDSON. I only use them as they appear here on the paper.

Mr. RICHARDSON. The gentleman from Maine says that we on this side have been "juggling with figures." I have taken the figures as prepared by his expert—I suppose the clerk of his committee or the expert employed by his committee—and I have shown that in 12 out of 14 schedules the per cent of duty in this bill as compared with the duties in the McKinley bill has been raised. My friend from Maine has undertaken to answer that by saying that we are "juggling with figures." I said that in some instances there was a specific duty levied and in some an ad valorem duty. While sitting here, I have gone to the trouble to take 82 items of taxation which enter into Schedule A, the first schedule of the bill. Out of those 82 items, if I have calculated correctly (and I have endeavored to do so), the rate of duty has been increased in 49 cases above the rates of taxation in the McKinley bill. That may be "juggling with figures." I have not the time, and not being an expert, I possibly would not be able to analyze each one of these estimates as between specific and ad valorem rates—at least it would take a long time for me to do so—but in these 49 instances in Schedule A, covering 82 items of taxation, the rates of duty are increased over the rates of the McKinley bill, sometimes by a specific duty and sometimes by a per cent duty. In making this estimate I take the nonenumerated articles and assume that the tax in those cases is increased.

Mr. HOPKINS. Will the gentleman allow me a suggestion?

Mr. RICHARDSON. Certainly.

Mr. HOPKINS. The gentleman from Maine has already shown the false basis on which the gentleman from Tennessee arrives at the conclusion stated. But even on the gentleman's own theory, what will be the result to the consumer? The gentleman contends that the consumers of the articles he mentions will have to pay more for them than they would if the rates were different—

Mr. RICHARDSON. If not, your bill is a fraud, because that is what you set out to do.

Mr. HOPKINS. Not at all.

Mr. RICHARDSON. You set out to give protection—

Mr. HOPKINS. It simply illustrates the superiority of our system for raising revenue, just as I contended a moment ago—

Mr. RICHARDSON. I can not yield for a speech.

Mr. HOPKINS. Will the gentleman answer my question, how this affects the consumer?

Mr. RICHARDSON. If it did not affect the price to be paid by the consumer, the manufacturer would not be in favor of it.

I have shown that in 49 out of 82 items the duties in Schedule A are increased over those of the McKinley law. We have had this morning the longest speech from the chairman of the Committee on Ways and Means that we have had since he opened this debate. Why? Because the charge has been made here that by this bill he has increased the taxes on the people—has increased the rates of taxation in 12 out of 14 schedules of this bill to a point higher than they were fixed by a measure which was condemned by the American people—the McKinley law. He does not want that idea to go out. He does not want the impression to obtain throughout this land that he and his committee have presented a bill here taxing the American people higher in 12 out of 14 schedules than the McKinley law taxed them. I have called attention to this schedule, and shown (as I shall do, if I am allowed an opportunity, with respect to each schedule in this bill, as it is read) that upon 49 out of 82 articles named here the taxes are higher in this bill than those of the McKinley law; and in every one of the others, almost



without exception, the rates are much higher than the rates under the Wilson bill, which we have had in operation for three years. But I want to emphasize by repetition the fact that upon 49 out of 82 items in this schedule the duties are higher than those in the McKinley bill. I want to place that fact before the country. Let gentlemen explain it if they can by saying that it is "juggling with figures."

Mr. Chairman, the rate of duty under the McKinley law averaged 49.58 per cent, the rate of duty under the Wilson law averaged 39.94 per cent, and the rate of duty under the proposed Dingley law is 57.08 per cent, or 8 per cent higher than the rate fixed by the McKinley law, which was condemned by the American people.

Now let me ask the gentlemen on the other side to answer this if they can. The gentleman from Maine says the Wilson bill was arranged on a basis of ad valorem percentages. But, sir, the McKinley bill was framed under the specific-duty principle in most instances, and so the Dingley bill is framed along the same line; and yet while the McKinley bill was only about 49 per cent on the average, we find the Dingley bill running this rate up to 57 per cent and over. And so I assert that as the McKinley bill was condemned by the American people when they had an opportunity of condemning it, this bill will meet the same fate when the same opportunity is offered to them. [Applause.]

March 30, 1897.

Mr. RICHARDSON. Mr. Chairman, we are treated now to a new doctrine in this discussion by the last two gentlemen who have spoken. They arraign us because we are opposed to protection, which is for the benefit of the manufacturers, and yet they say they favor protection because it reduces the prices of commodities in this country. That is the contention of the gentleman from Massachusetts, and he says we know nothing about the subject.

Mr. WALKER of Massachusetts. I wish to correct the gentleman. I did not say they did not know anything about it. I said they talked as if they did not know anything about it.

Mr. RICHARDSON. It is remarkable to me, Mr. Chairman, that if the object of protection is to reduce the prices of commodities to the people, the manufacturers of the United States should all favor a protective tariff and vote with the party which indorses protection. What is the reason of that?

Mr. WALKER of Massachusetts. Do you want an answer now?

Mr. RICHARDSON. You can answer in your own time. I can not yield now. Mr. Chairman, it is most unreasonable for gentlemen to stand here, in view of the political history of this country, and tell us that our course and our legislation in opposition to protection tends to benefit the manufacturers, while they who favor protection favor a policy which benefits the consumers and injures the manufacturers. Look at the experience of this country last year, and, in fact, in all the years of the past, and you find that the manufacturers have always been arrayed in favor of the Republican party because it gave them protection; yet these gentlemen would have us believe now that the men who favored protection were favoring a policy which damaged the very manufacturers that they proposed to serve, and that we who opposed protection were in favor of a policy that was in the interest of the manufacturers, because it tended to give them higher prices for their goods. Gentlemen on the other side are in the position of claiming that their policy of protection will accomplish certain things. What are they? First, that it will give the manufacturer higher prices for his goods. If it does anything, it must do that. Those who favor high protection do so on the ground that it will encourage the home industry by giving the home manufacturer higher prices for his goods. What else do they claim to do? They say it gives the American laborer higher wages. Here are two things that this policy of protection is to do—increase the prices of commodities and increase the wages paid to labor.

What is the third thing that we are now told this policy will accomplish? These gentlemen say it will reduce prices of the manufactured goods to the consumers throughout this country. Mr. Chairman, if it will do all these things, it is a double-back-action machine such as has never been known before in history. It is a remedy the like of which has never been seen in all our land or in all history. But, Mr. Chairman, the gentleman from Maine [Mr. DINGLEY], in reply to what I had to say a few moments ago about the increased rates of duty imposed by this bill above those imposed by the McKinley Act, started out by saying that this bill does not raise the rates of duty higher than those of the McKinley law, and he referred to certain schedules. Now, I want to answer the gentleman on that, but I will first yield to my colleague, Mr. Cox.

Mr. COX. Will the gentleman allow me a single suggestion? The proposition on the other side is that these increased duties have the effect of reducing prices to the American consumer and to enable us to collect our taxes from foreigners. If that argument is correct, the further we go in that direction the better it will be for us.

Mr. RICHARDSON. Certainly. My colleague makes a very valuable suggestion. The argument of my friend from Illinois [Mr. HOPKINS], who spoke a few moments ago, was that they do not levy these taxes so as to affect the consumers in this country, but that the tax is paid by the foreigner. It seems, according to the gentleman's argument, that we are going to collect \$113,000,000 from foreigners for the benefit of the revenues of this country without affecting prices to our people here. If that proposition is true, then I suggest to the gentleman that he and his committee have made a very great mistake. They ought to go back into their consultation room and frame a new bill, which, instead of raising \$113,000,000 from foreigners, shall levy upon them \$500,000,000 or \$1,000,000,000, thus enabling us to pay off the public debt at once through the contributions of foreigners.

Mr. CLARK of Missouri. Or why not levy such a tax on foreigners as will make us all rich?

Mr. RICHARDSON. Certainly. If we can raise money in this way, let us not only pay off our national debt, but raise enough to make all our people rich, by means of taxes levied upon foreigners. That is the argument.

The CHAIRMAN. The time of the gentleman has expired.

March 30, 1897.

Mr. RICHARDSON. I move to strike out the last word.

Mr. DINGLEY. I will say to my friend that we hope to be able to get along a little faster with this bill. There is no motion pending.

Mr. RICHARDSON. I will not delay the committee unnecessarily; but I want to say that I congratulate the committee upon having a fair and square debater in the person of the gentleman from Nevada [Mr. NEWLANDS]. He comes and states fairly and squarely that he wants higher duties upon these items in order that the manufacturer may make more money out of them.

Mr. SPALDING. Will the gentleman allow me to ask him a question?

Mr. RICHARDSON. I want to know what the gentleman from Massachusetts [Mr. WALKER] is going to say and what the gentleman from Illinois [Mr. HOPKINS] is going to say in reply to that honest and square argument of the gentleman from Nevada. They wanted these duties increased in order that they might be sold more cheaply to the consumer; but the gentleman from Nevada [Mr. NEWLANDS], honest as he is, comes and says he wants them increased in order that the manufacturers may make more money for themselves. Now, if you can harmonize those two positions, I shall be satisfied and not ask for any further debate upon this item.

The Clerk (proceeding with the reading of the bill) read as follows:

77. Sulphate of soda, or salt cake, or niter cake, \$1.25 per ton.

Mr. RICHARDSON. I desire to call the attention of the committee to the fact that both those items were on the free list under the Wilson Act.

Mr. DALZELL. We know that.

Mr. RICHARDSON. They are now put upon the tax list at the rate of \$1.25 a ton. They were free of duty under the act of 1894, and it is a remarkable fact that as to the latter item, salt cake or niter cake, notwithstanding that item was on the free list, there was an importation of 11,469 tons, and under the McKinley law, at \$1.25 a ton, there was imported in one year 19,723 tons, or nearly double as much imported when the tax was \$1.25 as when it was free of duty.

Mr. DINGLEY. That was because the Wilson bill destroyed the industries which made use of this article.

Mr. RICHARDSON. The amount of tax that the change will bring is only about \$15,000, and it seems to me that it is unnecessary to put an additional tax of \$1.25 per ton upon these two items, when it will raise only so small an amount of revenue to the Government.

March 30, 1897.

Mr. RICHARDSON. Mr. Chairman, I move to strike out the last word. I desire to call the attention of the chairman of the Committee on Ways and Means to the fact that this bill proposes to increase the duty on plaster of paris from \$1 a ton, as it was under the McKinley law, to \$1.50 per ton in this law. Now, I ask the gentleman if that is "juggling with figures?"

Mr. PAYNE. The gentleman is juggling. The duty was \$1.75 under the McKinley Act.

Mr. DINGLEY. The gentleman from Tennessee is mistaken.

Mr. RICHARDSON. No, sir; I have the figures here, and they show that ground plaster of paris under the McKinley law was \$1 per ton.

Mr. DINGLEY. And calcined \$1.75. Now, we put the two together, and—

Mr. RICHARDSON. I am not talking about calcined; I am talking about ground plaster of paris, which was \$1 a ton under the McKinley law, and now you tax it \$1.50. Is that juggling? Is

there not an increase of 50 cents per ton upon ground plaster of paris? Generally when I call attention to facts of this kind, I am told that we are figuring on an ad valorem basis as against a specific basis; but in this case the tax under the McKinley law was a specific duty of \$1 a ton, and in this bill it is a specific duty of \$1.50 a ton, so that we can make the comparison directly. Now, Mr. Chairman, I said that I would call attention to every item upon which there was an increase of duty proposed by this bill as the item was reached, and I have taken the floor now simply to call the chairman's attention to this instance.

The Clerk read as follows:

Earthenware and china:

30. Common yellow and brown earthenware, plain or embossed, common stoneware, and crucibles, not decorated in any manner, 25 per cent ad valorem; Rockingham earthenware, 40 per cent ad valorem.

Mr. RICHARDSON. I rise for the purpose of calling attention of gentlemen on the other side to the fact—however disagreeable it may be for them to have these facts pressed upon their attention—that one of the provisions in the section which gentlemen have refused by the mere brute force of numbers to have debated or to have even an amendment offered to it provides a tax of \$283,851.46 upon an article which under the McKinley bill was on the free list—

Mr. PAYNE. Will the gentleman from Tennessee—

Mr. RICHARDSON. I decline to yield.

Mr. PAYNE. All right.

Mr. RICHARDSON. The gentleman declined a moment ago to permit any kind of a statement to be made. I always desire to be respectful to other gentlemen; but I fear that I shall not be able to get my five minutes extended; and I want to call attention to the fact that that very item, embracing asphaltum and bitumen, provided that they shall be taken from the free list (they were on the free list under the McKinley law and also under the Wilson law) and placed upon the tax list at an estimated duty of \$3 per ton, which it is estimated will amount in the form of tariff duty to \$283,851.46.

I can very well see why gentlemen on the other side do not wish such figures as these exposed to the Committee of the Whole and to the country here to-day. I wish to call attention further to the fact that of the 35 items embraced in Schedule B, and which are divided into subitems, 29 subitems will, under this Dingley bill, pay higher taxes than they did under the McKinley bill.

Mr. DALZELL. Let me ask the gentleman a question.

Mr. RICHARDSON. No, sir.

Mr. DALZELL. Will you not allow a single question?

Mr. RICHARDSON. No, sir; you refused to allow me time a moment ago, and now I have but a few moments.

Let us get along. There are 13 items in Schedule B which are on the free list on the Wilson bill that have high duties imposed upon them under the proposed Dingley law. There are 29 higher rates of duty than the McKinley law imposed in this schedule, and, as I have said, 13 on the free list on the Wilson bill that are made dutiable under this bill.

Mr. Chairman, the whole amount of the increase of taxation imposed upon the people of this country in this schedule over and above the McKinley bill amounts to the sum of \$164,005.97. Under Schedule A, sir, the first schedule considered in the bill, as I remarked on Saturday, there are 83 items in all, 49 of which tax the people of the country higher than the McKinley law did. Included in the several items in Schedule A are 67 of this schedule on the free list under the Wilson law and now put on the taxable list at an onerous or high rate of duty by this proposed law. Under this same schedule (Schedule A) there will be imposed a tax on the people of this country of \$3,018,675.77 more than under the McKinley law, which are to be imposed by the so-called Dingley law. We are told that we are "juggling with figures" when we call attention to the facts—first, that you put the rates higher; second, we specify the items that you put higher than they were placed under the McKinley law, and we specify the items on the free list under the Wilson law that you put on the taxable list at a high rate of duty. Yet when we show you that you increase in one instance more than \$2,000,000 the tax in Schedule B, and more than \$164,000 in another schedule, the only response is that we are "juggling with figures!"

The CHAIRMAN. The time of the gentleman has expired.

Mr. RICHARDSON. Mr. Chairman, I move to strike out the last word.

Now, it is quite interesting to hear the gentleman from Massachusetts talk of the effect of putting articles on the taxable list increasing the rate and the price to the consumer. I was struck a moment ago by my amiable friend from Massachusetts [Mr. Moody], who kindly reflected on this side of the House for not speaking to the provisions of the bill; and who went to section 280 of the bill and took up tallow, I believe—

Mr. MOODY. No; not tallow—

Mr. RICHARDSON (continuing). And insisted that the Com-

mittee on Ways and Means did great injustice to the people by taking tallow from the free list and putting it on the taxable list.

Mr. MOODY. The gentleman is mistaken. I made no reference to tallow. I spoke of wool grease, commonly known or commercially known as "degras."

Mr. RICHARDSON. Well, they are in the same paragraph.

Mr. MOODY. Yes; in the same paragraph, No. 280 of the bill.

Mr. RICHARDSON. Very well. But, Mr. Chairman, it is very remarkable that the gentleman should object to this article being taken from the free list and placed on the taxable list because it will raise the cost. That is entirely in opposition to what we have heretofore heard from gentlemen on the other side. This is the point I am trying to emphasize.

I may not be able to understand it all as other people do—but I wish to get the exact facts in reference to these matters. It seems that gentlemen on the other side take much delight, when they can not answer our inquiries, in charging a want of intelligence against us on this side. I wish to know how the gentleman is to get along in harmony with my other able and amiable friend from Massachusetts [Mr. WALKER], who said he wished the articles taken from the free list and put on the dutiable list, or have them protected, so that the people could buy them cheaper. [Applause on the Democratic side.] There is decidedly a conflict between these two gentlemen. Here is the able and intelligent gentleman from Massachusetts [Mr. MOODY], who wants now to take a certain article off the dutiable list, or remove the protection, and put it back upon the free list, so his people can get it more cheaply, while the other able gentleman from Massachusetts [Mr. WALKER], who represents the great boot and shoe industries, wants to take them off the free list and put them on the protection or tax list for exactly the same reason.

All I ask is that the two gentlemen have an opportunity to harmonize their conflicting views on the floor.

Mr. DOCKERY. I ask unanimous consent that they have sufficient time to reconcile these differences.

Mr. RICHARDSON. I hold in my hand an article clipped from a great New York paper which sustains the contention of the gentleman from Massachusetts [Mr. FITZGERALD], when he states to the House the fact that New England did not approve and does not now approve of the high rates of taxation imposed by the McKinley law. It is a paper which supported Major McKinley last year; and it seems to me, in view of what we have heard in this debate, this is a very good time to refer to the complaint made in this great New York organ, the complaint "of false pretenses and bad faith" on the part of the Republican party. It seems to me it is very well for parties as well as individuals always to be grateful—at least not to be ungrateful—not to win by false pretenses and bad faith. What is the complaint made by this leading paper?

Why, this writer says that the Republican party won their great victory last November by reason of their position upon the money question and not the high protective question. I ask attention to the complaint which he now makes against this great party. This leading New York journal says:

If President McKinley's message and Mr. DINGLEY's tariff bill had been put before the people three days before the election of last November, they would have put the sound-money cause and the honor of the nation in the gravest peril.

It seems, Mr. Chairman, that from what we have seen of the Dingley bill and the issue now presented, this great organ is right. This city of Danbury, Conn., spoke yesterday and turned the Republicans out of office in their municipal election, and the entire country will speak when a general election comes.

Several MEMBERS. What is the paper?

Mr. RICHARDSON. This same great paper continues:

The Democratic votes which elected Mr. McKinley were won and kept by false pretenses. He was elected to defend the financial stability of the country, and he has no defensive measures to propose. He was not elected to revise the tariff, but his first act is to force upon the country a tariff that is flagrant in its protective atrocities.

An Administration which starts off with an act of bad faith toward the whole people has made a poor beginning.

Several MEMBERS. What paper?

Mr. RICHARDSON. Mr. Chairman, when we call attention to the fact that in numerous schedules of this bill—in some of the woolen schedules, for instance—the majority in this House proposed to increase the tariff over the McKinley bill of 1893—

Several members rose.

The CHAIRMAN. Does the gentleman from Tennessee yield?

Mr. RICHARDSON. No; I can not yield; it would take up too much of my time. When you have increased the duty on wool from 90 per cent, as it was under the McKinley bill, in one item to 133.20 per cent in this bill, it seems to me it is time to call attention to some of the atrocities of this measure. In one item—paragraph 267, not in the wool schedule—you have increased the duty over that of the McKinley bill 280 per cent and over that of the



Wilson bill 411 per cent; while the tax on certain buttons has been increased 607 per cent.

Now, I insist, Mr. Chairman, that this is bad faith. It shows that the party in control here has obtained possession of the Government under false pretenses; that instead of "sustaining the finances of the country," you have gone to work to pass this culminating atrocity—this monstrosity of the nineteenth century, this trust-breeding iniquity, the Dingley tariff bill. [Applause on the Democratic side.]

Mr. MAHANY. From what paper has the gentleman been reading?

Mr. RICHARDSON. Oh, it is the New York Times, if you want to know. [Derisive laughter on the Republican side.] You do not deny that it supported McKinley, do you?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

March 31, 1897.

Mr. GROSVENOR, for the Ways and Means Committee, having offered an amendment providing that goods imported after April 1, 1897, should be dutiable under this bill,

Mr. RICHARDSON said:

Mr. Chairman, it was not possible for us to hear all the authorities produced by the distinguished gentleman from Ohio [Mr. GROSVENOR]. The one authority I shall produce is found in 159 United States Reports. It is a decision which grows out of a question arising under the Wilson law. It will be seen the principle decided in that case is absolutely conclusive as to this amendment, and shows that it will be inoperative and void if it is agreed to.

Mr. TAWNEY. Will the gentleman allow me?

Mr. RICHARDSON. I have only five minutes, and the gentleman will see that I can not yield to him to read from the case. I have the case here and shall read from it. I would yield to the gentleman if I had time. I do not want to be impolite, but I have not the time to yield.

Mr. Chairman, the plain question made by this amendment is whether or not goods imported after to-morrow, the 1st day of April, provided this bill becomes a law, one, two or three months from now, shall be taxed under the present law or under the bill now under consideration.

I say that question was squarely submitted to the court under the Wilson law. The case is reported in 159 United States Reports at page 78, and is the case of *The United States vs. Burr*.

I ask the attention of the committee for a moment as to the particular point in that case. I read from the syllabus:

Goods arriving at the port of New York August 7, 1894, entered at the custom-house and duties paid August 8, 1894, and the entry liquidated as entered at the custom-house August 28, 1894, on which day the tariff act of August, 1894, became a law without the signature of the President, are subject to duty under the act of October 3, 1890 (the McKinley law), and not to the duty under the act of August 1, 1890 (the McKinley law), and not to the tariff act of 1894, which took effect August 23 of that year, that from and after the 1st day of August, 1894, there shall be levied, collected, and paid upon articles imported from foreign countries the rates of duty prescribed by that act does not apply to transactions completed when the act becomes a law.

That is the statement of the case. This case was decided by Chief Justice Fuller of the United States Supreme Court.

The facts as agreed upon are as set out in the syllabus of the case which I have read. The court makes this statement of facts:

It was stipulated in the circuit court that the persons composing the firm of Burr & Hardwick, the importers, were James M. Burr and Charles C. Hardwick; that the merchandise in controversy consisted of cotton laces; that the merchandise, if dutiable under the act of October 3, 1890 (the McKinley law), was dutiable at 60 per cent ad valorem under the provision for cotton laces contained in paragraph 873 of Schedule J of that act; and that if the merchandise was dutiable under the act of August 23, 1894, it was dutiable at 60 per cent ad valorem under the provisions for cotton laces in paragraph 278 of Schedule J of the latter act.

I will not read more of it. I would if I had time. The question was fairly and squarely presented as to these goods coming in between the 1st day of August, 1894, and the date when the bill became a law, or August 23, 1894. The court held that they should be taxed, not under that law—the Wilson law—but under the McKinley law.

Mr. TAWNEY. Will the gentleman allow me just a question?

Mr. RICHARDSON. I can not. The other side has had fifteen minutes. I can not yield. Now, I submit, Mr. Chairman, that the court, having held in the case I have just cited that the goods were dutiable under the McKinley law, must hold that goods imported into the United States on and after to-morrow, the 1st day of April, the date fixed in this amendment, and prior to the date on which this bill becomes a law, if it should ever become a law, would be dutiable under the law now in force. Such a decision would be exactly in line with the case I have just read. It can not be otherwise under that decision. It must follow, therefore, that the amendment of the gentleman from Ohio, if adopted, will be nugatory and will wholly fail of its purpose.

Mr. Chairman, I want to speak of one other consideration in the proposed amendment. I must speak hurriedly. I want to say to the gentleman from Ohio, if it be true that you would have a right to tax goods brought into the United States between those dates at a higher rate, what are you going to do with goods brought in where this bill reduces the tax upon them? Are you going to refund it? [Applause on the Democratic side.] Men bring goods into the United States after to-morrow, and before the passage of the bill, upon which this law reduces the import duties, and they pay the higher rate; will you refund them the excess? There may be but few of them, but I submit, respectfully, under this amendment you would be compelled to refund those duties. [Applause.]

Mr. GROSVENOR. The suggestion no doubt is true; but there will be so little it will have no practical effect.

Mr. RICHARDSON. It must be apparent, Mr. Chairman, that the only object of this proposed amendment is to scare importers and make them cease importing goods. It is only a scarecrow. It is a false pretense and a sham, and is unworthy of a great party. [Applause.]

March 31, 1897.

Mr. RICHARDSON. Mr. Chairman, I sought the floor a few moments ago for the purpose of attempting to reply to the rash assertions of the gentleman from Pennsylvania [Mr. WILLIAM A. STONE] that there were 100,000 more laborers at work in Pennsylvania now than there were a few weeks ago. I suppose the gentleman fixed the time the week preceding the election last November, when it was known of all men that the manufacturers of the United States discharged their poor employees and their laborers in order that it might help them to carry that election against the Democratic candidate. [Applause. Cries of "Oh!" on the Republican side.] Mr. Chairman, that is a part of the history of our country. You know it is true. I am not willing to take the off-hand statement of the gentleman that business has so much improved, even in Pennsylvania. I hold in my hand reliable statistics concerning business at the present time. I have here a statement made by Bradstreet's last week, and I ask the attention of the committee while I read it. Bradstreet's says:

At most of the larger centers the feeling of encouragement is stronger among merchants at the prospect for continued improvement in trade, yet the increase in volume of business in dry goods, groceries, hats, and clothing compared with preceding weeks and with like weeks in previous years does not equal anticipations.

The total bank clearings throughout the country amount to \$951,000,000 for six business days ending March 18, an increase of 2.8 per cent over the preceding week, but a decrease of a like proportion compared with the corresponding total in 1896. Contrasted with the like exhibit in 1895, this week's total shows no change, etc.

Now, Mr. Chairman, on yesterday—

Mr. WILLIAM A. STONE. Will the gentleman allow me to ask him a question?

Mr. RICHARDSON. No; I decline to yield. I have hurriedly quoted a part of Bradstreet's report and wish I had time to quote more of it.

The CHAIRMAN. The gentleman declines to yield.

Mr. RICHARDSON. Passing to another question, on yesterday I undertook to quote a great New York newspaper, the Times, whose Republicanism was questioned by gentlemen on the other side. I desire now to quote a Republican paper as to what this Dingley bill is, and I suppose the orthodoxy of this paper will not be questioned. I refer to the Boston Transcript. Does any gentleman on the other side deny the Republicanism of that paper?

Mr. WALKER of Massachusetts. It is independent Republican, but its correspondent is the rankest free trader in Washington.

Mr. RICHARDSON. What does it say in respect to the Dingley bill? It is a Republican paper in good standing in the Republican party. It says:

The proposed tariff on lumber is simply a measure to pick the pockets and crush the industry of a large, useful, and influential class of American citizens. It is uneconomic, unscientific, suicidal.

That is what the Republican Boston Transcript says.

Mr. WALKER of Massachusetts. Is that an editorial or correspondence?

Mr. RICHARDSON. Well, my friend, I decline to yield. This is the further language of this Boston paper:

The result will be to strip the country, not of an annually-recurring income, but of its white-pine principal, which at present rates is within ten years of exhaustion, and also to ruin a large class of business men in the country who deserve better things.

Mr. WALKER of Massachusetts. Is that correspondence or editorial?

The CHAIRMAN. The gentleman from Tennessee declines to yield.

Mr. WALKER of Massachusetts. Will the gentleman answer that question?

Mr. RICHARDSON. The gentleman persists in interrupting me when I declined to yield and when he knows he is out of order. We should be taught good manners from Boston. [Applause on the Democratic side.] This gentleman who is now interrupting me and some others on that side each day since this tariff debate opened have taken delight to themselves in charging us with being ignorant, and telling us that we know nothing, and that we have thick hides, etc. If there is any way in the world to teach him and a few others on the Republican side what to them seems to be the lost art of good manners, "the final and perfect flower of noble character," I will stop long enough for that undeveloped industry to receive encouragement by a high protective duty, or, if it be deemed wiser, by putting it on the free list. [Laughter.]

Mr. Chairman, what else does the Transcript say? I will read:

It does not seem possible that men claiming to represent the people will permit such a measure to have the force of law. If they do, it will cease to be folly and become iniquity.

[Applause on the Democratic side.]

And thus, Mr. Chairman, you see the Republican papers are already denouncing the Dingley bill as being worse than folly, and that it is an iniquity. As the months and years go by, more Republican papers will unite in denunciation of this bill, and it will surely meet with just condemnation at the hands of the American people. [Applause.]

Mr. Chairman, the debate on this bill will close in ten minutes, and we will then vote upon it. It will pass this House, of course. It is an iniquity and a monstrosity. The American people will condemn it as they did that unrighteous thing, the McKinley law. That was a milder measure than the pending one. It imposed \$76,000,000 less upon the people than this bill lays upon them. This bill has not been considered by the Representatives of the people. Only 23 pages of its 163 pages have been read and considered by them. Time has been refused for further consideration. One hundred and forty-one pages of the bill, levying the highest rate of taxes ever imposed upon a people, freemen or slaves, are to be enacted into law, in so far as the action of these Representatives is concerned, without having been read and considered by them. This unwarrantable action violates the spirit and almost the letter of the Constitution, our great Magna Charta, which provides "that all bills for raising revenue shall originate in the House of Representatives." These words mean, of course, such bills shall have their first consideration in the House of Representatives. The bill, I repeat, has not had consideration here. There is no excuse or justification for this action. We are called in extraordinary session, it is claimed, for no other duty but to pass this bill. We have ample time at our disposal. We are not to legislate on other matters. In the opinion of the Republican majority and their President there is no legislation demanded in order to afford relief to the country save and except this iniquitous tariff law. Financial legislation is not necessary. No more money is needed. The condition of the people throughout the land can not be improved by them, except by further exaction for the Treasury and by laying heavier burdens upon them. All other interests are to be neglected, and higher taxes are to be imposed and collected. Those who bear the present onerous burdens of government are to be taxed into prosperity. Mr. Chairman, the Democratic party, through its representatives, welcomes the issue as presented. They appeal from the judgment here to the broader and more patriotic forum, the people, with supreme confidence that the unrighteous and unholy verdict you are about to render will be reversed, and that you will be dismissed from the high places you now occupy, and they will know you no more forever. [Applause.]

Mr. Chairman, a good deal has been said by gentlemen on both sides of the Chamber about conditions in the South, and the benefits it is alleged will come to that section of our country by reason of a high protective tariff. I speak for myself and many others whose sentiments I know well, and do here affirm that we do not ask for the protection of a high tariff. The reasons are obvious, and are easily made apparent to all. The God of nature, in his beneficence, has given our section more protection and better protection than any high tariff devised by human hands will afford. We have cheap coal, cheap iron, cheap land, cheap labor, an unsurpassed climate, a fertile soil which produces everything man or beast can consume, all of which things taken together give us a large per cent of benefit or advantage over any and all competitors. If a high tariff is forced upon us, that per cent of advantage places us still farther in the lead. If the tariff is reduced, on the like principle we will lead. If it be taken off entirely, we will rejoice, for we can then outstrip all competitors and all sections. Instead of loud shouting and the display of great vehemence over the alleged benefits of a high protective tariff, we ask for financial relief, for better banking facilities, for more money, so that better times will come to us, and we of the South can and will fight the battle for prosperity, and will reap the reward which will surely come to an industrious and frugal people. [Applause.]

## The Tariff.

### SPEECH OF

HON. CHARLES N. FOWLER,  
OF NEW JERSEY.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. FOWLER of New Jersey said:

Mr. CHAIRMAN: During the discussion of this measure I have been more deeply impressed than ever that the relation of revenue to our present crisis is of comparatively slight importance.

The second object of the measure will be more far-reaching in its effects if its purposes are attained by its passage.

Nor will the mere coincidence of the gradual revival of business with its passage be any guaranty that those who assume that our real difficulty is lack of revenue are correct in their conclusion. For it is more than likely that in the near future we shall see sufficient money coming into the Treasury to pay our current expenses, and yet our gold reserve insufficient to cover the balance of trade against us.

But this fact of itself would not be so serious a matter did it not involve every enterprise and personal transaction from one end of the country to the other. If, therefore, this dire calamity can come upon us, even though our revenues are sufficient to cover our expenses, it is evident we have not yet solved the difficulty, and must look deeper and farther.

Deeply impressed as I am with the gravity of the situation, while I heartily approve of any effort that will tend to better our condition, I can not admit by my silence even that the present measure will more than procrastinate the evil day, possibly the day of national repudiation, certainly a day of panic, ruin, and destruction of values surpassing anything men now living have ever witnessed.

With these convictions I deem this occasion the most opportune for a discussion of those questions which, in my judgment, must be settled before we can confidently look for anything like a general and permanent prosperity.

First. Our finances should be readjusted.

Second. Our currency should be reformed.

With permission, I shall insert in the RECORD a measure introduced at this session proposing certain amendments to our national-bank act with the view of taking the United States out of the banking business, refunding the national debt, reforming the currency, insuring depositors, improving and extending our banking system, and providing funds in case of a deficit.

[Fifty-fifth Congress, first session.]

IN THE HOUSE OF REPRESENTATIVES, March 15, 1897.

Mr. FOWLER of New Jersey introduced the following bill; which was referred to the Committee on Banking and Currency, and ordered to be printed:

A bill (H. R. 50) to amend the national-bank act, take the United States Government out of the banking business, refund the national debt, reform the currency, insure depositors, improve and extend our banking system, and to provide funds in case of a deficit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be, and there is hereby, created and established a Department of Finance, which shall have entire and exclusive control and supervision of all national banks, their right to take out secured circulation and issue their notes.

Department  
of Finance.

SEC. 2. That there shall be three ministers of finance, who shall take the place of the Comptroller of the Currency and constitute a board of finance; and said board of finance shall conduct the said Department of Finance. That said ministers of finance shall be appointed by the President, by and with the advice and consent of the Senate, and the term of office shall be for a period of twelve years, at a salary of ten thousand dollars per annum; and said ministers shall be removed only by and with the consent of the Senate for cause stated in writing. That the term of the first three ministers shall be for twelve, eight, and four years, respectively. The minister appointed for twelve years, and his successors, shall be known as First Minister of Finance, and he shall preside at all meetings of the board of finance; and the remaining two ministers shall be known as Associate Ministers of Finance.

Ministers of  
finance.



SEC. 3. That any national bank now doing business, or any other financial institution doing a similar business, or any number of persons may, in accordance with existing law, so far as the same is consistent with this act, organize upon the following terms and conditions:

If any corporation or association of persons described as aforesaid shall deposit with the United States Government any of the United States bonds now outstanding, or any that may be hereafter issued which, at their stated value as herein set forth, (a) shall be equal to the required amount of circulation in the respective cases specified, (b) the United States Government shall issue to said corporation, in lieu of said bonds so deposited, United States Government bonds bearing interest at the rate of two per centum per annum, (c) equal in amount to the value thereof, both principal and interest of said new bonds being payable in gold coin, and to have the like qualities, privileges, and exemptions provided by the act approved January fourteenth, eighteen hundred and seventy-five, entitled "An act to provide for the resumption of specie payments;" and said new bonds shall thereupon be deposited with the United States Government, and circulation known as United States Government bond notes shall be issued to said corporation in an amount equal to the new bonds so deposited, said United States Government bond notes being in denominations of ten dollars or multiples thereof.

(a) That the United States Government bonds now outstanding shall be received at the following prices, to wit:

2s, reg.	Q. Mar.	95
4s, 1907, reg.	Q. Jan.	109
4s, 1907, coup.	Q. Jan.	110
4s, 1925, reg.	Q. Feb.	120
4s, 1925, coup.	Q. Feb.	120
5s, 1904, reg.	Q. Feb.	112
5s, 1904, coup.	Q. Feb.	112
6s, cur'cy, 90, reg.	J. & J.	108
6s, cur'cy, 90, reg.	J. & J.	105
4s (Cher.), 1897, reg.	March.	102
4s (Cher.), 1898, reg.	March.	102
4s (Cher.), 1899, reg.	March.	102

and that from and after the passage of this act said bonds shall be received upon the same income basis, respectively.

(b) All banks organized under this act shall take out for issue United States Government bond notes in proportion to their respective capital as follows: All banks having a paid-up capital of one million dollars and over shall take for issue five hundred thousand dollars of such notes; all banks having a paid-up capital of two hundred thousand dollars and less than one million dollars, shall take for issue an amount of United States Government bond notes equal to one-half of their respective capitals; but no one of said banks shall take for issue less than two hundred thousand dollars of said notes; all banks having less than two hundred thousand dollars of paid-up capital shall take for issue an amount of said United States Government bond notes equal to their respective capitals, and each bank shall pay into the United States Treasury one-fourth of one per centum per annum upon the notes so taken out for issue as a part of the fund to be created and known as "United States National-bank Note Redemption Fund."

(c) The first one hundred million of said two per centum bonds that are issued in exchange for other United States bonds shall become due in nineteen hundred and forty-five.

The second one hundred million of said two per centum bonds that are issued in exchange for other United States bonds shall become due in nineteen hundred and forty.

The third one hundred million of said two per centum bonds that are issued in exchange for other United States bonds shall become due in nineteen hundred and thirty-five.

The fourth one hundred million of said two per centum bonds that are issued in exchange for other United States bonds shall become due in nineteen hundred and thirty.

The fifth one hundred million of said two per centum bonds that are issued in exchange for other United States bonds shall become due in nineteen hundred and twenty-five.

Who may organize.

How banks shall organize.

Price at which bonds will be received.

Amount of United States Government bond notes banks shall take out.

Tax to be paid.

Bonds, when due.

The sixth one hundred million of said two per centum bonds that are issued in exchange for other United States bonds shall become due in nineteen hundred and twenty.

The seventh one hundred million of said two per centum bonds that are issued in exchange for other United States bonds shall become due in nineteen hundred and fifteen.

The two per centum bonds that are issued in exchange for the balance of the United States bonds then outstanding shall become due in nineteen hundred and ten.

That the amount of United States Government bond notes which the banks organized under this act are required to take out for issue may be gradually reduced and retired as follows: Twenty-five per centum thereof may be retired in nineteen hundred and ten, twenty-five per centum in nineteen hundred and fifteen, twenty-five per centum in nineteen hundred and twenty, and the remaining twenty-five per centum in nineteen hundred and twenty-five.

All other holders of United States Government bonds are hereby authorized and entitled to exchange the same at any time prior to January first, eighteen hundred and ninety-nine, for the said new two per centum United States Government bonds upon the income basis hereinbefore set forth.

SEC. 4. That said United States Government bond notes shall be a legal tender between all national banks and shall be redeemed in gold coin when presented for payment at the bank of issue.

SEC. 5. That at the same time that said corporation, if located in a reserve city, shall deposit United States Government bonds as aforesaid it shall also deposit with the United States Government United States legal-tender notes or gold certificates, or both, of such an amount that it, together with the gold said corporation has on hand, will equal fifteen per centum of its deposits; and the United States Government shall deliver to said corporation gold coin in lieu of said legal-tender notes and said gold certificates. Said corporation shall also deposit at the same time with the United States Government United States Treasury notes or United States silver certificates, at the option of said ministers, or both, which, with the silver coin then held by said corporation, shall amount to ten per centum of its deposits, and the United States Government shall deliver to said corporation in lieu thereof silver coin of an equal amount; and said legal-tender notes, gold certificates, Treasury notes, and silver certificates shall be thereupon canceled. Said corporation shall thereafter keep as a reserve twenty-five per centum of its deposits in the following kinds of money: At least sixty per centum of said reserve shall be in gold coin, and the remaining forty per centum of said reserve may be in silver coin or United States Government bond notes: *Provided, however,* That in lieu of one-half of such reserve cash on deposit, subject to check, may be held in reserve cities.

SEC. 6. That at the same time that said corporation, if located outside a reserve city, shall deposit United States Government bonds as aforesaid, it shall also deposit with the United States Government United States legal-tender notes, or gold certificates, or both, of such an amount that it, together with the gold coin said corporation has on hand, will equal nine per centum of its deposits; and the United States Government shall deliver to said corporation gold coin in lieu of said legal-tender notes and said gold certificates. Said corporation shall also deposit at the same time with the United States Government United States Treasury notes or United States silver certificates, at the option of said ministers, or both, which, with the silver coin then held by said corporation, shall amount to six per centum of its deposits, and the United States Government shall deliver to said corporation in lieu thereof silver coin of an equal amount; and said legal-tender notes, gold certificates, Treasury notes, and silver certificates shall be thereupon canceled. Said corporation shall thereafter keep as a reserve fifteen per centum of its deposits in the following kinds of money: At least sixty per centum of said reserve shall be in gold coin, and the remaining forty per centum of said reserve may be in silver coin, or

All bondholders may exchange for new 2 per cent bonds.

Legal tender between banks.

Exchange of notes for gold and silver by banks in reserve cities.

Exchange of notes for gold and silver by banks outside reserve cities.

United States Government bond notes: *Provided, however, That in lieu of one-half of such reserve cash on deposit, subject to check, may be held in reserve cities.*

SEC. 7. That the United States Government shall not pay out or reissue any United States legal-tender notes or gold certificates from and after the first day of January, eighteen hundred and ninety-eight, but the same when received shall be canceled and destroyed; and further, that the United States Government shall not pay out, issue, or reissue any United States Treasury notes or silver certificates from and after the first day of January, eighteen hundred and ninety-nine, but the same when received shall be canceled and destroyed.

SEC. 8. That any corporation organized under this act may, with the permission and under the supervision and control of the board of finance, issue its own circulation, which shall be furnished by the United States Government and be known as United States national-bank notes. Said United States national-bank notes shall be issued in denominations of ten dollars and multiples thereof, and shall be a first lien upon the assets of the bank issuing the same, and also upon the liability of the stockholders, and may be issued only in the following manner and upon the following conditions:

First. Every bank issuing United States national-bank notes shall at all times maintain against the amount of such notes outstanding a reserve corresponding to that required against its deposits.

Second. Any bank that shall have complied with this law may, with the consent and under the supervision and control of the board of finance, issue an amount of United States national-bank notes equal to twenty per centum or one-fifth of its paid-up and unimpaired capital, and shall pay upon such an amount thereof as may be outstanding at any time a tax at the rate of one per centum per annum.

Third. Said bank may issue a second amount of such notes equal to twenty per centum or one-fifth of its paid-up and unimpaired capital, and shall pay upon such an amount thereof as may be outstanding at any time a tax at the rate of two per centum per annum.

Fourth. Said bank may issue a third amount of notes equal to twenty per centum or one-fifth of its paid-up and unimpaired capital, and shall pay upon such an amount thereof as may be outstanding at any time a tax at the rate of four per centum per annum.

Fifth. Said bank may issue a fourth amount of notes equal to twenty per centum of its paid-up and unimpaired capital, and shall pay upon such an amount thereof as may be outstanding at any time a tax at the rate of six per centum per annum.

Sixth. Said bank may issue a fifth amount of notes, equal to twenty per centum or one-fifth of its paid-up and unimpaired capital, and shall pay upon such an amount thereof as may be outstanding at any time a tax at the rate of eight per centum per annum.

Seventh. If the amount of United States national-bank notes issued by any bank shall exceed at any time the paid-up and unimpaired capital of said bank, a tax at the rate of ten per centum per annum shall be paid by said bank on such excess.

Eighth. That said ministers of finance are hereby authorized and empowered to suspend one-half of said tax upon any one or all of the said several issues of United States national-bank notes at any time after nineteen hundred and ten, and at any time after nineteen hundred and twenty said ministers of finance are further authorized and empowered to suspend any portion of the tax then remaining except the ten per centum tax referred to in paragraph seven.

SEC. 9. That all taxes so paid to the Government upon said United States Government bond notes and said United States national-bank notes shall constitute and be known as the "United States National-bank Note Redemption Fund," and be held exclusively for the redemption, first, of the United States Government bond notes; second, for the United States national-bank notes in the event of the liquidation of any bank organized under this law: *Provided, however, That when said "Redemption Fund" shall exceed five per centum of both the United States*

Government bond notes and the United States national-bank notes such excess shall belong to the United States Government and may be used by it to defray its general expenses.

SEC. 10. That the board of finance shall divide the United States into clearing-house districts, and each bank organized under this act shall belong distinctly to some one district, and the number of such district shall be plainly and prominently printed upon the said United States national-bank notes issued by the banks located therein. The several banks of each district, upon receiving United States national-bank notes belonging to any other district, shall forward the same to a bank in a clearing-house city, which shall return them to the district to which they belong.

SEC. 11. That the said United States national-bank notes shall be a legal tender at par between all national banks, and the same shall be redeemed upon presentation at the bank of issue in gold coin, or at the option of the bank of issue forty per centum thereof may be redeemed in United States Government bond notes.

SEC. 12. That each bank organized under this act and doing business outside of a clearing-house city shall select some national bank in the clearing-house city of its own district through which it shall redeem its United States national-bank notes in gold coin, or at the option of said redemption bank forty per centum thereof may be redeemed in United States Government bond notes, and for said purpose shall keep on deposit with said bank a reserve of five per centum of the amount at any time outstanding, and said five per centum may be considered a part of its required reserve.

SEC. 13. First. That in cities with less than two thousand population banks may be organized under this act with a capital of twenty thousand dollars or any greater amount in multiples of five thousand dollars; but no bank shall be organized in any reserve city with a less capital than one hundred thousand dollars.

Second. That under such regulations and restrictions as shall be established by the said ministers of finance, national banks organized under this act may establish branch banks by and with the consent of said ministers, such branch banks to have the right to receive deposits, make loans, grant discounts, and buy and sell exchange, but in no case to be permitted to issue circulating notes other than those of the parent bank. It shall in all respects be considered as a part of the parent bank, and in each case where such branches are maintained the ministers of finance shall receive in the reports of the central bank a statement, properly sworn to and attested, of the condition of its branches.

Said ministers of finance shall also have the right of separate and independent examinations, and they may, whenever they deem it necessary, require, before granting the right to any bank to maintain branches, that the paid-up capital stock of such bank be increased to an amount to be fixed by them.

SEC. 14. First. That in the event of the liquidation of any national bank organized under this act the United States Government shall redeem, upon presentation, after notice given as herein provided, any of said United States Government bond notes or said United States national-bank notes, reimbursing itself for the full amount thereof out of the assets of said bank, and distribute the remaining assets among the depositors and all others having claims in the same manner as now provided by law.

Second. That from the time of the suspension of said bank up to the date set by said ministers of finance for the redemption of said United States national-bank notes, they shall bear interest at the rate of five per centum per annum. Such notice shall be given in some newspaper printed in the clearing-house city where said notes were cleared; but nothing herein contained shall be construed to impose any liability upon the Government of the United States, or any of its representatives, beyond the amount available from time to time out of said "United States National-bank Note Redemption Fund."

SEC. 15. First. That any bank organized under this act may at any time after nineteen hundred and five, with the consent of the ministers of finance,

Clearing-house districts, how formed. Banks must belong to some district.

Notes must be returned to their district.

Legal tender between banks.

Banks outside must clear through some bank in clearing-house city.

Banks with \$20,000 authorized.

Branches may be established.

United States Government shall redeem notes.

Notes to bear interest.

Banks may insure deposits.

United States Government not to pay out notes or certificates after 1898-99.

May issue notes against assets.

Reserve of banks against notes issued against assets.

Notes against assets, how issued.

Suspension of tax upon notes.

Redemption fund, how used.

Use of excess over 5 per cent.



insure its depositors against loss by paying into the United States Treasury one per centum upon the average balance of deposits of the preceding fiscal year, and one-half of one per centum upon the average annual balances thereafter until the amount so paid into the United States Treasury by said bank shall amount to five per centum of the average balance of said bank for the last preceding year, and that said ministers of finance may then suspend said tax for the time being. If the deposits of said bank shall increase, or for any reason the amount of the insurance fund to the credit of said bank shall be less than five per centum of the deposits, said ministers may reimpose said tax of one-half of one per centum upon the deposits of said bank; and if said bank shall fail to pay such tax at any time after the payment of said one per centum the amount already paid by said bank shall be forfeited to the United States Government and the insurance of said depositors shall thereupon cease.

Second. That the amounts of money so received shall constitute and be known as the "Depositors' insurance fund," and each bank shall be entitled to receive interest upon the amount standing to its credit in said "Depositors' insurance fund," at the rate of two per centum per annum, and the same shall be adjusted annually on the thirtieth day of June.

Third. That in the event of the suspension of payment by any bank so insured of any of its liabilities as they accrue, the United States Government shall, within sixty days thereafter, no reorganization then pending, pay the depositors of such bank in full all their just claims, if no question has been raised thereto; but nothing herein contained shall be construed to impose any liability on the Government of the United States, or any of its representatives, beyond the amount available from time to time out of said "Depositors' insurance fund."

Fourth. That the United States Government shall thereupon reimburse itself out of the assets of said bank for any and all such moneys paid out on account of said deposits, less the amount standing to the credit of said bank in said "Depositors' insurance fund," and the remaining assets shall be distributed among the creditors in the same manner as now provided by law.

SEC. 16. That all moneys received by the United States Government on account of the tax upon United States Government bond notes and United States national bank notes, or on account of the taxes paid to insure depositors against loss, may be invested in the following classes of securities, and no others: First, United States Government bonds or United States certificates of indebtedness; second, the bonds of any State which has not defaulted in the payment of either principal or interest of any of its indebtedness for twenty years just preceding such investment; third, the bonds of any city in the United States having a population of more than one hundred thousand, and which has not defaulted in the payment of either principal or interest of any of its indebtedness for twenty years just preceding such investment.

SEC. 17. That for the purpose of carrying this act into effect and enabling the banks organized hereunder to maintain their required reserves, and for the purpose of equalizing and adjusting the relative use of gold and silver in the United States, the ministers of finance are hereby authorized and empowered to sell and dispose of any of said new two per centum bonds at par for gold coin, or to exchange the same for any of the legal-tender money of the United States at par; the bonds so sold or exchanged to be issued in denominations of twenty-five dollars, or multiples thereof, at the option of the buyer, and to become due and payable in nineteen hundred and fifty; and the said ministers, for the same purpose (with the concurrence of the Secretary of the Treasury), are also authorized and empowered to exchange from time to time gold bullion or gold coin for silver bullion or silver coin, and silver bullion or silver coin for gold bullion or gold coin.

SEC. 18. That the loans and discounts of any bank organized under this act granted to its executive officers or employees shall in no case, directly or indirectly, exceed ten per centum of the capital, and the same shall be secured by proper collateral, or by

an additional signature or signatures of financially responsible persons to the notes taken, and that the same be made only upon the written approval of a majority of the board of directors and a separate record thereof kept.

SEC. 19. That no loan shall be made to a director not an executive officer of the bank except either upon a deposit of good and sufficient collateral security, or upon a note given therefor, bearing, in addition to such director's own name, the signature or signatures of one or more financially responsible persons, or unless a resolution has been passed by the board of directors and signed upon the record by at least a two-thirds majority thereof giving to such director a line of credit covering any advances to be made to him.

SEC. 20. That any president, vice-president, cashier, assistant cashier, or employee of any bank organized under this act who shall be convicted of unlawfully borrowing or using any of the funds of the bank with which they are connected shall be imprisoned for ten years, and any officer of any such national bank at the time of its failure shall be ineligible to any official position in any national bank thereafter.

SEC. 21. That it shall be unlawful for any national bank to engage in the promotion of any enterprise, or to loan the funds of the bank upon the bonds or securities of incomplete and partially developed projects of any kind, such as partially constructed railroads, street-car lines, electric-light, gas, water, mining, manufacturing, or irrigation plants.

SEC. 22. That upon a day in each year to be designated by said ministers of finance, the directors of the national banks shall be, and are hereby, required to make an examination of the affairs of the bank with which they are connected, and submit their report thereon upon blanks furnished by said ministers, and said report shall be signed by at least three-fourths of said directors.

SEC. 23. That the assistant cashier, in the absence of the cashier, or on account of his inability, shall be, and he is hereby, authorized to sign the circulating notes of the bank, and sign and make oath or affirmation to the reports called for by said ministers of finance showing the condition of the bank with which he is connected, and such oath or affirmation and all others required of bank officers may be administered by any notary public or commissioner of deeds.

SEC. 24. That the clearing houses of the respective districts shall act under charters granted by the United States Government, running for fifty years and authorizing them to effect clearances between banks and to do other business for and between banks, in accordance with such rules and regulations as may be prescribed by said ministers of finance from time to time.

SEC. 25. That to provide for any temporary deficiency now existing in the Treasury of the United States, or which may hereafter occur, the Secretary of the Treasury is hereby authorized, at his discretion, to issue certificates of indebtedness of the United States, payable in from one to five years after their date, to the bearer, in gold coin, of the denomination of twenty-five dollars, or multiples thereof, with annual coupons for interest at a rate not to exceed three per centum per annum, and to sell and dispose of the same for not less than an equal amount of gold coin at the Treasury Department and at the subtreasuries and designated depositories of the United States and at such post-offices as he may select. And such certificates shall have the like qualities, privileges, and exemptions provided in the resumption act (approved January fourteenth, eighteen hundred and seventy-five, entitled "An act to provide for the resumption of specie payments") for the bonds therein authorized. And the proceeds thereof shall be used for the purpose prescribed in this section and for no other.

SEC. 26. That all acts or parts of acts inconsistent with the foregoing shall be, and the same are hereby, repealed.

The measure which I now submit for your consideration is but an elaboration and redraft of my former bill, H. R. 6442, and my remarks will only be an extension of what I said before the committee on March 23, 1896.

Loans to directors must be secured or authorized by board.

Penalty for breaking law by officers.

Not to engage in speculation.

Directors must examine.

Assistant cashier may sign notes.

Oaths may be taken, how.

Clearing-house charters may be granted by Government.

Deficiency in revenues may be provided for by sale of bonds.

Depositors' insurance fund.

United States Government shall pay depositors in sixty days.

United States Government may reimburse itself.

Guarantee funds, how to be invested.

Means ministers have of carrying the act into effect.

Loans to officers and employees.

## IMPORTANCE OF A CORRECT UNDERSTANDING.

It will be comparatively useless to attempt to deal with the financial question unless the evils from which we are suffering are clearly understood.

As well might the physician attempt to treat a patient without diagnosing his case. It is generally admitted now, I think, that treatment is comparatively easy if you have discovered the cause and thoroughly understand the disease.

As the treatment of any case depends upon the diagnosis, and as treatment must diverge as opinion with regard to the difficulty diverges, our first effort should be to find as many causes of our trouble as possible upon which we can all agree, so that we can proceed along well-established and well-recognized lines of treatment.

In the first place, I think all agree that our deplorable condition is due to an organic weakness and a functional malady often reaching an acute form, and that during the past three years our condition has been chronically acute. Our trouble involves both our national finances and the currency system of our banking institutions. We may administer a few sugar-coated flour or dough pills, like increasing the circulation to par of the bonds and allowing banks to organize with smaller capital in out-of-the-way places, and thereby allay the apprehensions for the afternoon; but unless we actually remove the organic difficulty on the one hand with an unequivocal measure of value, and reinforce the blood by infusing into the currency arteries the buoyancy and elasticity of our vast but rapidly exchanging wealth, this old malady will ever return in more and more malignant form, prey upon an ever-weakening constitution, produce greater and greater anemia, and end in disorder and ruin.

## FUNDAMENTAL TROUBLE.

Let us inquire first, then, what the organic or constitutional weakness is. It began by the Government issuing its first paper money, possibly of necessity, but foolishly kept in circulation long after the necessity, if any ever existed, had disappeared; and it is no guaranty of wisdom simply because the Supreme Court has decided that Congress could make nothing but a piece of paper, that was always being redeemed and yet is never retired, a legal tender. There are a great many things that Congress can do and does do that are supremely and superbly foolish, and conspicuous among its acts of this character was the act perpetuating the existence of the greenback long after its purposes, if born of necessity, had been served. If a small portion of the money that was used in paying off the Government bonds which could not annoy us had been applied in liquidating our demand obligations, we would have been saved an immense amount of financial trouble, and a vast amount of interest, too, before we have finished the greenback chapter. But we were not satisfied even with getting \$346,000,000 for nothing throughout eternity, so we started out upon the silver scent; and while we were cunning enough in the act of 1878 to hide behind the coined dollar deposited, we had the hardihood in 1890 of increasing our demand obligations at the astounding rate of \$50,000,000 a year, with no way of meeting them except the taxing power of the Government. We did not even assure the people and the world of our good faith by putting up a redemption fund corresponding with that lodged against the greenbacks.

## CREDIT STRAINED.

What happened? We soon found that technically we had, including the national-bank notes, about \$1,000,000,000 of demand obligations out, and only the same \$100,000,000 we thought necessary to protect the \$346,000,000 greenbacks, when, in fact, we ought to have had at least \$300,000,000 of gold under the circumstances.

## DISTRUSTED BY ALL.

All classes of our people, to say nothing of the business men, and particularly the bankers, were looking each other mysteriously in the face and inquiring whether it might not be well to hide away some gold. The foreign broker, wanting to appear conservative and protect his client, and of course get another commission on an exchange of securities, advised extreme caution, pointing out that it would be impossible for the United States to maintain the gold standard, and that it was in a position, in fact, to slide from under when the crash came.

What has been the result? The American people of every class have been hoarding gold, while the foreigners have been withdrawing their investments, and, what is quite as bad for an undeveloped country, withholding their money from us.

## OUR DEMAND OBLIGATIONS REQUIRE SALE OF BONDS.

The large outstanding demand obligations of the Government enable those who want gold at home or abroad to force the Government to go on forever paying these greenback and silver demands over and over again, and yet they may never be retired. The only remedy left to the Government under the present circumstances is to sell bonds in advance and corner the \$500,000,000 greenbacks and Treasury notes, about which there is no possible

doubt as to what the Government has got to do, and then wait for a test case of a silver certificate, which must result in the same conclusion and the Treasury be confronted with \$335,000,000 more of demand obligations, while the Government, which the unthinking call the richest in the world, in this very connection finds itself without any of those resources of a bank to meet its debts and literally stripped of every means of defense except its power to tax the people. Was there ever a more pitiable spectacle in the world?

From the foregoing we have discovered some of the disastrous effects growing out of our organic difficulties.

We have observed:

First. That on account of doubt gold constantly left the Treasury and the country.

Second. That our people nursed their gold, and the United States Treasury was compelled to furnish all the gold that was wanted for any purpose whatever, without having any resource except the power to tax the people, and yet must continue an unlimited amount of the paying business of a bank.

How shall we meet the first difficulty and prevent a stream of gold from flowing out of the country and stop the drain on the Treasury by our own people?

There is and will be but one permanent cure, and that is an unequivocal measure of value approved and adopted by all the leading commercial nations of the world, and determined by all human experience to be best suited for settling the balances of trade.

## EXPLICIT TERMS IMPERATIVE.

So long as political parties straddle, and so long as it is possible for members of Congress to declare that the bonds of the United States are in terms payable in silver as well as gold, and so long as one branch of Congress or the other shows its disposition by a vote to take advantage of the word "coin," so long will a most expensive, indeed possibly a ruinous, doubt hang over this country.

## COMMON HONESTY A NECESSITY.

Of those who declare that we are on a gold basis and are going to pay our obligations in gold I would like to inquire, Why do we not put it in black and white and save this country millions in interest every year, and secure hundreds of millions for investments to develop our vast resources? For there is no country on the face of the earth with our citizenship, civilization, well-established laws, and natural resources (which are the magnets that determine where capital goes), and therefore so assuring to capital, as our own, if the measure of value were only unalterably fixed.

How shall we overcome the second difficulty, that has made this great country ridiculous and may render it financially impotent, because the people demand that this debt-doubling process shall cease, little dreaming of the consequences that must ensue? If we would escape the incomprehensible trouble in either event, we must cease the anomalous position of filling all the paying functions of a bank without any of its natural resources.

In other words, the two remedies for our organic difficulty are these:

## FUND THE DEBT.

First. Refund our national debt in long-time 2 per cent gold bonds, furnishing a basis of circulation for our national banks and thereby giving to the people a money redeemable in gold over the counter of the bank of issue, thus utterly destroying the gold-hoarding habit at home, and dissipating the last vestige of doubt and fear abroad.

## RETIRE ALL DEMAND OBLIGATIONS.

Second. Get the Government out of the banking business by converting the greenbacks and Treasury notes into metal reserves of the national banks, and send the silver dollars whirling into the tills of our merchants and over the counters of our banks.

## NATIONAL CREDIT ALWAYS SAFE.

This done, the credit of the nation can not be threatened in times of peace and ought to be maintained unimpaired in times of war. Its business would then be just what that of New York, Chicago, or San Francisco is—the collection of money for the payment of current expenses—and every dollar of the \$625,000,000 of gold in the United States would be free money, and would be taken from the safe-deposit boxes, drawers, and stockings and turned into the channels of commerce.

## OUR TROUBLE NOT LACK OF REVENUE.

So far as I have been able to discover, there is but one other view entertained with regard to our organic weakness, and that has been entertained by my fellow-Republicans—indeed, originated with them—but which is far more political than philosophical, and which will not stand the test of fact established by investigation.

Beginning with President Arthur, we were warned continually of the danger that would grow out of expanding our demand obligations, and all recognized economic writers pointed out the danger long before President Harrison left his office. Even before there had been a deficiency, Secretary Foster was panic-stricken and the Republican Administration had prepared and was ready



to issue \$50,000,000 of bonds for no other purpose than to build up the credit of the nation by increasing the reserve.

I think it will not be denied by anyone who will take the trouble to study the changes from 1878 to 1893 that had the Government begun in 1878 to cover the depreciation of the silver coined with a proper reserve of gold and continued that policy down to 1890 and through all the operations of the Sherman Act to 1893, gradually increasing the reserve up to about \$300,000,000, there would have been no apprehension with regard to the ability of the Government to meet its demand obligations, even though it was compelled to sell \$150,000,000 of bonds to cover the deficit growing out of the lack of revenue.

If this be true, then it is clear that it was simply the expanded credit and not the lack of revenue.

After much honest and earnest investigation on my own part, I am satisfied that the lack of revenue has been in no sense the cause of the trouble, although I am of the opinion that it has served to scrape the scab off a most angry, violent, malignant, and festering sore and kept it a running one. The real trouble was in a lack of that prudence on the part of the Government that a good banker usually exercises in increasing his reserves as his demand obligations expand.

#### LARGE GOVERNMENT RESERVE UNWISE.

But what a frightful waste this prudent policy would have involved, the locking up of \$300,000,000 of money for no other purpose than the safe conduct of a most unwise and foolish policy. Nor would the popular will of the country remain silent while so vast a sum was being withdrawn from the channels of trade and the currency correspondingly contracted. This inherent or constitutional evil from either point of view was to breed discontent and disaster.

While discussing this fundamental difficulty, it may be well to allude to the objection, that has been urged to the gold cure here proposed, on the part of the so-called bimetalist, but the more accurately described silver monometallist, and that is an international bimetallic arrangement.

#### A WORD TO BIMETALLISTS.

To these so-called bimetallists I think we may confidently say that so far as the public sentiment of this country goes two things have been established beyond all peradventure:

First. That the American people are unalterably opposed to the free and unlimited coinage of silver.

Second. That if this country hopes to secure an international arrangement for the free coinage of silver at any ratio, they will be far more successful in their endeavor to do so if they place themselves squarely upon the gold standard, showing to all the rest of the world that there is absolutely no possibility of this country adopting the free coinage of silver while the other great commercial nations of the earth take all the gold and leave us nothing but silver. The way to reason with the selfishness of nations is to exercise the power of compulsion, and the mere possibility that this great country may in some moment of aberration adopt the free-coinage fallacy stands in the way and will do more to defeat an international arrangement than all other causes combined.

#### USE OF METAL SALUTARY.

Then there is another class, who would sacrifice everything to convenience, instead of all convenience to principle, and who urge the inconvenience of using metal instead of paper money, when, as a matter of fact, the salutary effect of having the metal among our people offsets it tenfold. Among these are even those who would not propose to have anything but good paper money, and yet urge the inconsequential consideration of convenience while a great principle is involved, even the credit of the nation. The question of convenience can only be considered after the problem has been solved upon sound economic principles.

Having pointed out what seems to me to be the organic disorders, and dissipated the erroneous diagnosis of those who claim that all our woe is due to lack of revenue, and having pointed out that the very objection of the theoretical bimetalist is really his best if indeed not his only hope of success in securing an international arrangement, and having brushed away the dewy suggestion of convenience, I think we have clearly discerned the true organic weaknesses from which we are suffering.

These being the fundamental difficulties, there can be no question about the remedies that have been suggested.

Assuming that our measure of value has been placed beyond the reach of cavil and forever settled, and our Government has no connection whatever with the currency of our country except as trustee, let us proceed to inquire what the functional trouble is affecting our monetary system.

#### OUR PRESENT BANKING SYSTEM BAD.

I am one of those who believe that we have one of the best banking systems in the world in some respects, and who also believe that it is equally bad in others. All the superficial defects, all the apparent evils, like eruptions on the human body, which are

due to disorders of the blood, are due either to too much or too little money to handle the commerce of this great country at any given time.

Any banking system like our own, which results in a currency panic in one city or several localities or possibly all over the United States every time there is the slightest commotion in any department of commerce, is like an epileptic patient who goes into fits upon the slightest provocation.

Everybody asks, "What is the trouble?" And everybody who has taken the time and trouble to investigate the subject answers, "The want of a sound, elastic currency."

TRUTH AND PATRIOTISM, NOT TRADITION AND PREJUDICE, SHOULD CONTROL OUR THOUGHTS.

We have reached a point in this matter that demands patriotic and heroic action.

We should at once acknowledge every established fact and follow every vein of truth wherever it may lead, if happily we may find a solution to this intricate problem, and save our country from the stress of a continual financial storm and bring back confidence in us throughout the world and secure the blessing of prosperity to our own people.

It has been with this spirit that I have pursued my study and indulged my thought, which has stripped me of some pet notions and dislodged many of my preconceived ideas that were born of political bias or were the children of wishes growing out of party zeal or the inheritance of some tradition partially true or utterly false. And now, when I pass my country in review and contemplate the stupendous losses and frightful havoc of recent years, I am impelled to hope that Diogenes may again appear with his candle and not cease his search until he has found a clear, frank, and honest political platform upon which the American people can fight this thing out, as they are longing to do.

As in 1858 Abraham Lincoln foresaw that this Government could not endure half slave and half free, so now it is clear that the domestic prosperity and commercial supremacy of this nation among all the nations of the earth wait alone upon our unequivocal declaration and irrevocable decision as to our measure of value.

#### OUR PEOPLE FAVOR THE GOLD STANDARD.

The American people, strictly honest, highly intelligent, and supremely brave, are in favor of the gold standard as a measure of value because all history has shown it the most stable metal, all experience has proved it best suited for settling the balances of trade, and all the leading commercial nations of the earth have approved and adopted it. And while our people are in favor of the use of so much paper and silver money as is consistent with prudence and the demands of business, they are unalterably opposed to the free and unlimited coinage of silver.

#### THE EXPERIENCE OF OTHERS SHOULD INFLUENCE US.

In discussing this question we can not take the position of the schoolmaster, the theorist, or the dogmatist; but with a full and perfect knowledge of our present currency, our individual banking system, the extent of our country, and the magnitude of our commerce, we should attempt the solution of this most difficult problem.

The experience of other countries, so far as they have established principles that are equally adapted to our condition, are valuable; but we can not assume that everything that has worked well elsewhere will necessarily work equally well here. It is a question very largely of discrimination and adjustment. However, it is no evidence that because conditions elsewhere are very different from our own, that their experience is of no value to us, or that what has been well done there can not be equally well done here. Common sense here, almost more than anywhere else, must serve as a ballast to theory. Prejudice must give way to truth, and selfishness to principle.

#### A SUDDEN CHANGE UNWISE.

To suppose that the people of the United States will give up a secured currency in a day, a week, a year, or a decade even, for a credit currency, is a most violent presumption, even if such a thing were sound in principle. Again, even if they were willing to do so—and credit currency is sound beyond a peradventure in principle—I do not believe that such a step would be wise.

Banking is a development; it is the result of evolution; and each of the great commercial nations has its own system of banking which is still in the process of evolution. While our movement should be in the direction of radical changes, the movement itself should not be radical, so that what may be proposed may be tested and gradually adjusted to the vast and complicated factors involved in our commerce and banking.

#### SECURED CURRENCY IS UNELASTIC.

That any system of secured currency does lack and must lack all the elements of elasticity I presume no one here doubts. If, however, there are those who think that our system has ever responded and contracted as the demands of commerce required, they have only to consult our bank-note circulation by years and

be convinced that it has practically been controlled by the normal demand of money on the one hand and the profit on the bonds on the other, and has often been lowest when it ought to have been highest, and highest when it ought to have been lowest. There is no pretense that it has been taken out every fall when the crops were to be removed and has automatically contracted when they were disposed of. It was \$146,000,000 in 1865, \$340,000,000 in 1875, \$301,000,000 in 1877, \$352,000,000 in 1882, and \$122,000,000 in 1890. It is now about \$200,000,000.

A TRULY ELASTIC CURRENCY WILL ALWAYS REFLECT LOCAL CONDITIONS AND COMMERCIAL ACTIVITY.

No system of currency will ever have the quality of true elasticity which does not reflect commercial activity and which must pay a tax when it is idle; hence the normal demand throughout the year will be the only material factor affecting the issue.

It will readily be seen why we have money panics somewhere nearly all the time and everywhere some of the time. Under a properly regulated system I think one may safely say there should never be a currency famine anywhere at any time.

The great bulk of the money, the normal money, of any country, may be gold, silver, and secured currency, no one of which, nor all of which put together, is elastic. But to properly and adequately provide for the extra demand for money to handle crops and manufactures, to meet the disturbed conditions in commerce and the flurries in finance, something more is needed and demanded.

THE NATIONAL DEBT WILL SOON BE PAID OFF OR MUST BE FUNDED.

Again, it is admitted that it will not be very long before the national debt will be paid off or much reduced. We all remember what consternation there was throughout the whole country about contraction when President Harrison was paying off the national debt at the rate of about \$100,000,000 a year during part of his Administration. Our system had absolutely no power of self-adjustment. Some were demanding that we have State bonds for security; some suggested city bonds; some urged railroad bonds; some sought relief in the repeal of the tax on State banks, while the bankers met at Baltimore and issued the plan bearing that name. All was confusion; all was chaos; nothing was done.

Now that there has been a slight increase in our bonded indebtedness, some talk as though it were to continue throughout eternity. In the light of a surplus revenue of \$1,333,000,000 from 1879 to 1889, such a suggestion is idle talk, for everybody knows that if the Government were disposed to do so it could wipe out this entire debt in five years, and that to distribute the liquidation over a period of ten years would render the burden so light as not to be noticed. Nothing is more certain than the absolute necessity of some system to succeed the present one in the course of time, and nothing is more important than that there should be an evolution in passing from one to the other and not a revolution, with all its shocks, misfortunes, disasters, and ruin.

IGNORANCE OF TERMS.

As a preface to what I am going to say, I will venture the assertion that you can not mention the matter of credit money in any chance meeting of a dozen business men that some of them—indeed, in most instances a majority of them—will not shrug their shoulders and think of what they may remember, if age will permit, or what their fathers have told them about “red-dog,” “yellow-dog,” or some other dog money, as though they had heard or read all about all kinds of money, when, as a matter of fact, all they know about it is that there really was “red-dog” money, and that the dog died. Neither the cause nor the circumstances surrounding his death seem ever to have entered their minds.

But, discarding the follies of the past, let us inquire into our necessities and misfortunes with a determination of overcoming them, if possible.

LOANING DEPOSITS AND LOANING BANK NOTES ARE IDENTICAL.

As a preliminary but fundamental truth, I suppose all my listeners realize that there is not the slightest difference between a bank which has \$100,000 capital and \$100,000 of deposits subject to check, with \$75,000 of its deposits loaned out on sixty-day two-name paper, and \$25,000 reserve, and a bank which has \$100,000 capital and \$100,000 of credit notes outstanding, \$75,000 of which having been loaned to identically the same men as in the former case and on the same conditions—sixty-day two-name paper, with \$25,000 of notes turned into cash for a reserve against the \$100,000 of notes.

When there are abundant deposits there will be no notes issued under ordinary circumstances, but where there is little wealth in the form of money, but great wealth in other forms, and much money needed to develop it, there notes will be issued.

CITY AND COUNTRY COMPARED.

This fact can be illustrated by a comparison of the national banks of the city of New York in 1884 having \$46,000,000 of capital, with all the national banks of the State of Massachusetts, outside of Boston, having \$45,000,000 of capital. In the former the

deposits amounted to \$184,000,000, and the banks' circulation was but \$13,200,000; while in the latter the deposits were but \$45,400,000, and the circulation outstanding was \$35,800,000—about three times as great.

SUFFOLK SYSTEM.

Again, during the operation of the Suffolk system at Boston, which was before Yankee ingenuity was crystallized into millions, and every river, stream, and rivulet was turned into a source of wealth, the country banks had no deposits to speak of, and many of them, considering the inconvenience of travel and the slowness of mail, were, speaking from our present facilities for both, thousands of miles away. Some of the Maine banks with an actual capital and downright honesty were, though more remote than in a business sense than California is now, issuing their notes and clearing at Boston, thus enabling the sturdy sons of that then far-off region to develop the great resources of that section. So it was with nearly all of New England; but the current redemption which the system enforced kept their money absolutely good.

BANK OF FRANCE LOANS ITS NOTES.

Allow me to call your attention to the condition of the Bank of France January 1, 1895. Its capital is \$36,500,000, with deposits, public and private, of \$163,480,000; its outstanding notes, \$701,140,000. The amount of cash on hand is \$636,980,000, showing that the bills receivable taken in for the notes issued have been paid off and the notes are still outstanding.

It must not be forgotten in passing that the legal note issue, at present, of the bank is \$800,000,000; but it does not seem to issue it and foolishly loan it just because it can do so. It will be observed that it had \$100,000,000 still unissued.

Again, it must be remembered that there is not one dollar of specific security for any part of the whole \$800,000,000 issue, which is a legal tender so long as redemption is maintained. This vast issue rests upon and is protected by the bills receivable taken in exchange for the notes, or the proceeds of those bills receivable which have already been paid off.

CREDIT CURRENCY IN GREAT BRITAIN.

Great Britain, too, has her system of credit notes and metal method of expansion. The banks of England and Wales, outside the Bank of England, have the power to issue credit money amounting to £4,813,400, or about \$25,000,000. But on the 1st day of January they had outstanding only \$10,000,000, leaving credit money to be issued, if needed, amounting to \$15,000,000.

SCOTCH BANKS.

The Scotch banks have an authorized issue of credit money amounting to \$13,331,750, and on the 1st day of January had outstanding only \$6,985,675, leaving to their credit and unissued about \$7,000,000, which could be put out if conditions called for it.

IRISH BANKS.

The Irish banks have an authorized circulation of credit money amounting to \$31,772,470, and on the 1st day of January there was issued only \$15,000,000, leaving to their credit and unissued \$16,772,470.

From these facts it is not reasonable to conclude that the same degree of caution is exercised in issuing credit notes as in loaning the deposits of the banks? A careful comparison of the figures shows that on the 1st day of January, 1895, they had issued less than 50 per cent of their authorized credit circulation, which aggregates about \$70,000,000.

It must not be forgotten in this connection that we are now dealing with a country of vast accumulations and immense bank deposits. The prudence of the credit issues of Great Britain are certified to by the fact that in Scotland, the home of the system, there have never been but three bank failures worth mentioning.

METAL EXPANSION OF THE BANK OF ENGLAND.

In the beginning of my comment upon Great Britain I alluded to her system of metallic expansion. The position of the Bank of England is a most unique one, in that when they need more money or gold in England, London being the clearing house of the world, it is obtained by simply raising the rate of interest to a point that will attract gold from the money centers of the Continent, and against this the issuing department puts out its Bank of England notes.

SUSPENSION OF THE ENGLISH BANK ACT.

Notwithstanding the various facilities for meeting exigencies, the Bank of England, owing to the fact that a limit was placed upon its issuing power by the act of 1844, which it was supposed at the time would forever end all panics, the bank suspended, as it is called over there, and the limit set aside October 25, 1847, November 13, 1857, and May 12, 1860. In February, 1861, and in May and September, 1864, the condition became critical also, while in 1873 the suspension of the act seemed certain for some days. By many it is now thought that it was a mistake to set a limit, for on all occasions when the emergency has arisen she has suspended the act and issued the requisite amount of money to meet the demand.



## GERMAN BANKING.

At the formation of the German Empire, when the financial arrangement was being adjusted, the English act of 1844 was largely followed, except in this particular power of issuing credit money, for they had learned by experience and observation of the English system that there was no limit except that set by necessity when the crises recur.

## LIMIT OF ISSUE PASSED.

No limit was fixed, but rules and restraints were established to keep it down to a certain point—885,000,000 marks, or about \$100,000,000 of money—which was apportioned among the several banks, with the privilege of passing the limit if cash of a certain description was held; but, having passed the limit of issue fixed without cash to cover, the only penalty was a tax of 5 per cent per annum upon the notes issued. This limit has several times been passed by the smaller banks, and also by the Reichs Bank itself, the institution representing the Empire. This happened in the case of the Reichs Bank in December, 1881; in September and October, 1882; in December, 1884; in January, 1885; in December, 1886, and three times in the latter part of 1890. The overissue September 30, 1895, was \$9,200,000; October 7, 1895, was \$4,100,000; December 31, 1895, was \$29,400,000. On some occasions the issues were much beyond the fixed limit, and it is now certain that in several instances the German community was saved from the shock of panic and the spasm of contraction which would have been inevitable if they had been acting under the English banking act of 1844.

But nearer home, even at our very doors, we can find an apt illustration of automatic banking currency.

## CANADIAN SYSTEM.

Canada has no mint of her own, but uses our gold pieces as her standard money. The Canadian system is founded upon the Scotch system, many of her leading citizens and most prominent bankers being of Scotch origin.

The banking capital of Canada amounts to \$62,196,391, or bears about the same proportion to their population that our banking capital bears to our own.

The Canadian banks have the right to issue credit money to an amount equal to their paid-up and unimpaired capital, which would be \$62,196,391. But, as a matter of fact, they have never exceeded \$38,000,000, and the greatest expansion in any one year to move the crops was \$7,000,000, while January 1, 1896, it was only \$32,565,179, about one-half the limit.

Each of the banks is interested in getting out its own money, and therefore is equally interested in keeping the current of redemption running strongly all the time over the counters of all the other banks.

It is a most striking fact that while we are scarcely ever out of a money panic, and consequently a currency famine, Canada does not know what either means.

## ALL EXPERIENCE JUSTIFIES CREDIT CURRENCY.

It would seem from all these illustrations—the Suffolk system, the Bank of France, the Scotch banks, the Irish banks, the English banks, the German banks, and the Canadian banks—we may fairly conclude that credit currency is as good as any in the world, and, indeed, in case of war, when securities often go out of sight, it is better, because resting upon sixty-day bills receivable, which are almost certain of payment without delay or loss, at least a very great portion of them.

## ARE WE AN INFERIOR PEOPLE?

To the man whose reply is—and this is the only answer to this array of evidence—the plan may work well in all the rest of the world but would not do for us, I desire to say that such an admission is an impeachment of our civilization; a plea of guilty to the charge that we are a violent people; a confession that our prudence and money-saving qualities are overshadowed by those of every other nation (which is not true); a declaration that we are unfit for self-government, and consequently self-control, which more than a hundred years of the most glorious history of the human race contradicts and rebukes.

Would any man seriously contend that the president, cashier, or board of directors of a bank would be more foolish in loaning the notes of a bank than its deposits, when circumstances will bring them to its counter for redemption with the certainty and promptness of the checks drawn against its deposits?

"But," said one of the Banking and Currency Committee the other day, "such an expansion will lead to unwise speculations and all its evil consequences." What has just been said clearly shows there would be and could be no undue expansion of money calling for an immediate metal redemption any more than there is to-day.

## CREDIT, NOT MONEY, STARTS SPECULATIONS.

Have you ever inquired into the subject of booms and financial cataclysms with a view of ascertaining what, if any, connection they have had with money—real money—money currently re-

deemed? Have you ever thought it out to the last analysis and found that the increase of money has had absolutely no connection with the great speculations throughout the world during the past thirty years, but that every one of them has been due to our gambling instinct, encouraged by an undue expansion of credit and invariably long credit?

Have you ever thought of it? There has been absolutely no connection between the per capita circulation in the United States and the various booms and consequent shrinkages. From 1865 to 1873 our circulation contracted from \$20.57 per capita to \$18.04 per capita. In 1885 and 1893, respectively, our circulation was \$23.02 and \$23.85 per capita.

Increased circulation had absolutely nothing to do with the Birmingham, Dallas, Kansas City, Wichita, Omaha, Minneapolis, St. Paul, Duluth, Spokane, Seattle, Tacoma, and Los Angeles speculations and reactions; nor a thousand others in the United States and elsewhere.

Increased circulation had nothing to do with the Australian bubble. Increased circulation had nothing to do with the South American gambles. Increased circulation had absolutely nothing to do with that unlimited buying of the London market, from 1886 to 1890, when you could sell almost anything from a beer saloon to an undiscovered continent in that market.

## NINETY-TWO PER CENT OF OUR BUSINESS IS DONE BY CHECKS AND DRAFTS.

Now, since a system of credits in the form of checks and drafts performs over 92 per cent of our work and constitutes the vital factor in effecting nearly all our commercial exchanges, and since we have discovered that all the leading commercial nations of the world have successfully employed credit money based upon the liquid wealth of commerce, and have thereby escaped the difficulties and misfortunes necessarily growing out of an inelastic currency, and since an erroneously supposed connection between currently redeemed credit money and credit expansion does not exist, in fact that they bear no relation whatever to each other, have we not found a remedy for our ever-recurring panics and currency famines?

For these it will certainly prove a specific cure, while for our whole people a source of profit and advantage that can not be measured or comprehended because of a better distribution of the normal amount of our money and a natural, constant, and adequate supply at every point where it is needed to handle our products or develop our resources.

Having discovered our ills and the proper remedies, it is our task, taking into account every fact and condition, to draft a bill that will do what we have found necessary to preserve our financial honor and conserve our commercial prosperity.

## EVILS TO BE OVIATED.

First. We have seen our vast national banking interest, consisting of 3,712 institutions, with resources amounting to \$3,423,629,343.63, and transacting a business of more than \$80,000,000,000 per annum, between the rising and setting of the sun, pass from one political representative of one Administration to that of another, when our banking interests, as a matter of fact, should be free of and unaffected by political caprice or change.

Second. We have found that there is a possibility of doubt about our measure of value, when it ought to be undoubted, unequivocal, unchangeable.

Third. We have found our money hoarded by banks and individuals and congested in the financial centers, when confidence should take the place of fear and money seek the channels of trade.

Fourth. We have found our Government with a bonded debt of \$347,362,920, bearing, mainly, 4 and 5 per cent interest, when it ought to be funded into a popular loan at 2 per cent as a basis of circulation, saving over \$15,000,000 annually to our people.

Fifth. We have found our Government bound to redeem an unlimited amount of obligations, with no power to meet them except by taxing the people, when it ought to have no demand obligations except current expenses.

Sixth. We have found our Treasury warehousing \$500,000,000 of silver, coin value, when it ought to be circulating among our people.

Seventh. We have found our Government a guarantor of the obligations of our banks, when it should be acting only as trustee for the note holders.

Eighth. We have found eight different kinds of money in circulation, when there should be but two besides gold and silver.

Ninth. We have found a system of currency as fixed in quantity as the stars, never varying necessarily with the months or the years according to the demand, but which may all be withdrawn to-morrow, if the bonds do not pay, when our currency should increase and decrease with the ever-varying exchanges of our wealth. In verification of this it is well to observe that during those years of most wondrous development—from 1881 to 1890—our note issues fell from \$325,000,000 to \$123,000,000.

Tenth. We have seen legitimate commerce and development languish because of the restraint and high rates resting upon

money, when it should automatically spring into activity at a reasonable rate of interest as the demands arise and disappear when the work is done.

#### THE PROPOSED CHANGES WOULD PRODUCE MOST SALUTARY RESULTS.

That all these difficulties may be obviated and these advantages secured without in the smallest degree disturbing public confidence, bringing the slightest shock to trade or commerce, or in any way affecting the finances of the Government or banking interests of the country, except to greatly simplify and immeasurably strengthen both, every frank and thoughtful man will admit after careful consideration.

It has been to accomplish these objects that I have prepared this bill which I now submit to every candid thinker without reference to party affiliations, confident that his judgment must at once approve its purposes and will, upon a thorough and exhaustive examination, adopt and advocate its principles.

Appreciating the breadth and technicality of the subject, I shall venture to discuss each provision of the measure in its order and point out its purpose and effect.

#### DISCUSSION OF THE MEASURE BY SECTIONS.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That there shall be, and there is hereby created and established a department of finance, which shall have entire and exclusive control and supervision of all national banks, their right to take out secured circulation and issue their notes.

SEC. 2. That there shall be three ministers of finance, who shall take the place of the Comptroller of the Currency and constitute a board of finance; and said board of finance shall conduct the said department of finance. That said ministers of finance shall be appointed by the President, by and with the advice and consent of the Senate, and the term of office shall be for a period of twelve years, at a salary of \$10,000 per annum; and said ministers shall be removed only by and with the consent of the Senate for cause stated in writing. That the term of the first three ministers shall be for twelve, eight, and four years, respectively. The minister appointed for twelve years, and his successors, shall be known as first minister of finance, and he shall preside at all meetings of the board of finance; and the remaining two ministers shall be known as associate ministers of finance.

#### PRESENT LAW NOT CHANGED.

These two sections refer to the same subject-matter, and while they make no material changes in the law, the effect of them would certainly be to take the banking interests of the country out of politics, as only one minister could be appointed during each Presidential Administration.

#### WISDOM AND SAFETY IN ADVISORY BOARD.

Whether under the supervision of a single individual, however capable, banks have not been permitted to drift into irretrievable ruin on the one hand and often placed in the hands of receivers without warrant on the other, to the very great loss of all concerned, no one can ever definitely know. But inasmuch as the national banking act requires the association of at least five persons to form a bank, the Government has always presumed there was wisdom and safety in a consulting board as against a single individual.

#### PRESENT CRISIS DUE TO WANT OF WISE COUNSEL.

Indeed, it is hardly too much to assume that if we had had such a board of advisers, our present dangers might not now threaten us, for it is only after the horizon of any man is widened so that he can comprehend the needs of the entire country and his opinions are ripened and strengthened by that intelligence which is begotten of experience that his suggestions call for that weighty consideration which may well determine legislative action.

#### MINISTERS SHOULD BE REMOVED FROM POLITICAL INFLUENCE.

So long as men hold office at the will of the people or change with party succession so long will their opinions be colored by popular sentiment and influenced by prevailing prejudice, possibly a most salutary influence upon the usual legislative duties, but certainly most harmful to the judicial determination of any question, a fact that the fathers of the Constitution appreciated when they protected our Supreme Court against it by a life tenure of office.

#### LONG SERVICE IMPORTANT TO USEFULNESS.

Is not the character and importance of the great department of finance of 70,000,000 people such as to make it imperative that it be removed from any possible influence springing from the waves of passion that sweep over the country during our national contests? Again, every man who comes into the office of Comptroller must necessarily bring with him all the prejudices of his environment and the narrowness of local conditions, unless happily he has been a man of large and wide experience. It would be most natural for him to think that the section from which he comes is the most important one simply because he knows nothing of any other; and until he can compare them all and view them as they actually are, treating them with equal justice, he will be comparatively unfit to fill so great an office. Nor can any man, however clever, hope to arrive at a proper appreciation of all the various sections and their still more varied interests within the present term of office. Indeed, just at the expiration of it he has arrived at a point in information and experience where his services ought to be of some real value to the Government.

WITH A LOW SALARY THE OFFICE IS A MERE STEPPING STONE TO POSITION.

Nor is the present compensation of the Comptroller of the Currency such as to retain any man of commanding ability longer than to develop an opportunity for his services in one of the large financial institutions of the country; and so to-day it is little more than a stepping-stone for that purpose.

This Government is entitled to and ought to have the ablest of its men in this most important department of public administration. Most important of all, because it has to do with and controls the very lifeblood of the nation's commerce and domestic trade; and if we shall rightly solve this great financial problem, there ought not to be any banks of discount to speak of operating outside of the provisions of the national-bank act. The number of institutions under the supervision of the Government will then exceed 9,000, while their assets will soon approach a ten-billion mark. Does not common prudence require that so vast an interest, affecting as it does the affairs of every individual and institution within our borders, shall not be subject to the passions of politics, to the ill health, death, or resignation of a single individual whose services may be more appreciated by some corporation than by the Government?

#### IMPORTANCE OF A CONTINUING BODY.

The term of office in this department should be for a long period of time and should not be subjected to the caprice of any Administration which may happen to come into power upon a wave of prejudice, which is invariably given to a narrow policy, and is usually deaf to the voice of reason. It is of the utmost importance that those in charge of the office should be a continuing body, so that the information and traditions accumulating from year to year shall be handed down to the respective successors. Each member of the board, as he comes into it, would be steadied by those who are his associates and who have accumulated much knowledge and valuable experience, which, through conference, he can at once make his own. Create this office upon these lines, which are commensurate with its character and responsibilities, and it will call for the ablest of our men, and will retain them if the remuneration is such as to justify the sacrifice of their lives to the public service.

#### ORGANIZATION OF BANKS AND FUNDING OF DEBT.

SEC. 3. That any national bank now doing business, or any other financial institution doing a similar business, or any number of persons may, in accordance with existing law, so far as the same is consistent with this act, organize upon the following terms and conditions:

If any corporation or association of persons described as aforesaid shall deposit with the United States Government any of the United States bonds now outstanding, or any that may be hereafter issued, which, at their stated value as herein set forth, (a) shall be equal to the required amount of circulation in the respective cases specified, (b) the United States Government shall issue to said corporation in lieu of said bonds so deposited, United States Government bonds bearing interest at the rate of 2 per cent per annum (c) equal in amount to the value thereof, both principal and interest of said new bonds being payable in gold coin, and to have the like qualities, privileges, and exemptions provided by the act approved January 14, 1875, entitled "An act to provide for the resumption of specie payments;" and said new bonds shall thereupon be deposited with the United States Government, and circulation known as United States Government bond notes shall be issued to said corporation in an amount equal to the new bonds so deposited, said United States Government bond notes being in denominations of \$10 or multiples thereof.

(a) That the United States Government bonds now outstanding shall be received at the following prices, to wit:

2s, reg.	Q. Mar.	95 1/2
4s, 1907, reg.	Q. Jan.	109 1/2
4s, 1907, coup.	Q. Jan.	110 1/2
4s, 1925, reg.	Q. Feb.	120 1/2
4s, 1925, coup.	Q. Feb.	120 1/2
5s, 1904, reg.	Q. Feb.	118 1/2
5s, 1904, coup.	Q. Feb.	118 1/2
6s, cur'cy, '98, reg.	J. & J.	102 1/2
6s, cur'cy, '99, reg.	J. & J.	105
4s (Cher.), 1897, reg.	March.	102
4s (Cher.), 1898, reg.	March.	102
4s (Cher.), 1899, reg.	March.	102

and that from and after the passage of this act said bonds shall be received upon the same income basis, respectively.

(b) All banks organized under this act shall take out for issue United States Government bond notes in proportion to their respective capital, as follows: All banks having a paid-up capital of \$1,000,000 and over shall take for issue \$500,000 of such notes; all banks having a paid-up capital of \$300,000 and less than \$1,000,000 shall take for issue an amount of United States Government bond notes equal to one-half of their respective capitals; but no one of said banks shall take for issue less than \$300,000 of said notes; all banks having less than \$300,000 of paid-up capital shall take for issue an amount of said United States Government bond notes equal to their respective capitals, and each bank shall pay into the United States Treasury one-fourth of 1 per cent per annum upon the notes so taken out for issue as a part of the fund to be created and known as "United States national bank note redemption fund."

(c) The first one hundred million of said 2 per cent bonds that are issued in exchange for other United States bonds shall become due in 1945.

The second one hundred million of said 2 per cent bonds that are issued in exchange for other United States bonds shall become due in 1940.

The third one hundred million of said 2 per cent bonds that are issued in exchange for other United States bonds shall become due in 1935.

The fourth one hundred million of said 2 per cent bonds that are issued in exchange for other United States bonds shall become due in 1930.

The fifth one hundred million of said 2 per cent bonds that are issued in exchange for other United States bonds shall become due in 1925.

The sixth one hundred million of said 2 per cent bonds that are issued in exchange for other United States bonds shall become due in 1920.

The seventh one hundred million of said 2 per cent bonds that are issued in exchange for other United States bonds shall become due in 1915.



The 2 per cent bonds that are issued in exchange for the balance of the United States bonds then outstanding shall become due in 1910.

That the amount of United States Government bond notes which the banks organized under this act are required to take out for issue may be gradually reduced and retired as follows: Twenty-five per cent thereof may be retired in 1910, 25 per cent in 1915, 25 per cent in 1920, and the remaining 25 per cent in 1925.

All other holders of United States Government bonds are hereby authorized and entitled to exchange the same at any time prior to January 1, 1899, for the said new 2 per cent United States Government bonds upon the income basis hereinbefore set forth.

#### DOES NOT CHANGE PRESENT LAW.

The first paragraph in this section does not in any way alter the present law under which a national bank may be organized, but extends to them, as well as all State banks, the privileges of this act.

Banks desiring to avail themselves of the advantage of the act must take out for issue the amounts of United States Government bond notes specified for their respective capitals, having deposited with the United States Government the requisite amount of the new 2 per cent Government bonds, which may be obtained either by surrendering a proper amount of old bonds at the schedule price or legal-tender money in accordance with section 17 of this act.

#### COMMUNITIES WITH SMALL BANKS NEED MORE NOTES.

That banks of smaller capital shall be entitled to take out a greater amount of circulation in proportion to their capital is based upon the experience of banks in the past, and is intended to anticipate the greater needs of localities where there is little wealth in the form of money, banks are fewer, and capital invariably smaller than in the great financial centers where the capital of the banks is large and the deposits so great as to preclude the necessity for a corresponding issue of notes.

#### NO CONTRACTION OF CURRENCY.

The schedule has also been arranged with a view of preventing any possible contraction of our present currency; so that while the \$346,000,000 of greenbacks are retired, they will be replaced to the last dollar with gold coin, or United States Government bond notes, which, like the greenbacks, stand upon the credit of the Government, being secured by United States Government bonds payable in gold coin.

#### THE GREAT COMMERCIAL NATIONS HAVE SECURED THE REQUISITE AMOUNT OF GOLD.

But it may be asked whether there is ample gold in the world to meet the requirements of commerce and trade. Does Great Britain want any more? No; she has \$580,000,000. Does France want any more? No; since 1873 she has increased her holding from \$122,500,000 to \$772,000,000. Does Germany want any more? No; the Imperial Bank has accumulated \$434,890,067 since 1875, and she has \$675,000,000. Does Holland, Belgium, Switzerland, Denmark, Norway, or Sweden want any more? No; they have \$125,000,000. Does Russia, which has increased its holdings from \$119,000,000 in 1872 to \$488,000,000 in 1896, want any more? Possibly \$50,000,000; certainly not more than \$100,000,000. Does Canada want any more? No; she has \$16,000,000. Does the United States, which has increased its holdings from \$135,000,000 in 1873 to \$625,000,000 in 1896, want any more? No. The only thing that is now wanting to the United States is assurance to the world that there is not the remotest possibility of a single obligation being dishonored within our borders, either municipal, corporate, or personal, on account of a change in our standard of value.

#### AMPLE GOLD IN THE BANKS AND TREASURY TO SUPPLY THE ENTIRE BANK RESERVES IN GOLD.

If every national bank in the United States held its entire reserve in gold, they would require only \$315,069,831. They now have \$160,738,890, and the United States Treasury holds \$142,811,118 more, making a total between them of \$303,595,008, from which fact it is clear that while under this bill the national banks, according to the estimates of the actuary of the United States Treasury, would be required to hold only \$189,000,086, they could actually have, if they preferred to hold it if this measure were in operation, \$303,595,008, and there would still be left for the remaining banks in the United States \$325,000,000 more, which would at once come from its place of hiding if this question were taken out of the field of debate.

#### GOLD SUPPLY.

What are the probabilities of the future supply? From 1492 down to 1893, a period of four hundred years, the world produced only about \$8,000,000,000 of gold, of which about \$4,000,000,000 is used in the form of money. The product of the last year reached \$215,000,000, an annual rate that will furnish more gold in the next forty years than the world produced in four hundred years prior to 1893. Certainly from such a showing no one of the commercial nations of the world will find any difficulty in obtaining any small addition they may require to supplement their present holdings.

#### METAL CIRCULATION DESIRABLE.

Why have no denominations of bond notes lower than \$10?

First. Because the presence and use of the largest possible amount of metal among the people exercises a most salutary influence.

#### WORK FOR OUR SILVER.

Second. We have about \$500,000,000 of silver on hand, and it could be made to do the work of the one-dollar bills, amounting to \$40,960,091; of the two-dollar bills, amounting to \$28,848,497, and of a large portion of the five-dollar bills, amounting to \$245,168,884, or a total of \$314,477,372.

#### THE GOVERNMENT DEBT SHOULD AND MUST BE FUNDED.

Why fund the national debt in long-time 2 per cent gold bonds? First. Because a very large portion of it will have to be funded in any event in the near future, as it will come due at a time and in such large blocks as to render extension necessary.

Second. The debt should be evenly distributed through a long period of time, so as to relieve the people from any burdensome degree of taxation during any given year.

Third. By a statement of the actuary of the Treasury Department prepared for me, the present annual interest charge on the Government debt, excluding the Pacific railway bonds, amounts to \$34,387,290, while the annual interest charge upon our entire debt, if funded into 2 per cent bonds, would amount to only \$18,908,009.56, making an annual saving to the people of the United States of \$15,484,280.44, or more than \$1,250,000 per month, certainly an item well worth saving, since it would exceed \$150,000,000 every decade—quite a sufficient reason in itself for funding the national debt.

Fourth. To have our secured circulation based on so low a rate of interest as to preclude such an appreciation in the value of the bonds as to lead banks to dispose of them and retire the notes, thus contracting the volume of money and disturbing business conditions.

Fifth. It should be funded in gold bonds, because gold is the standard of value of the civilized world, and we can not afford to have a different standard on account of our vast commercial relations with other nations. Again, if we hope to have the capital of the world flow into our country and assist us in developing our resources, the terms of our obligations must be placed beyond cavil or question. Let us now eliminate the last possible doubt with regard to it, and we shall have unlimited capital remaining permanently with us and at the lowest rates of interest in the world.

#### THIS LIMITED LEGAL-TENDER QUALITY IS THE PRESENT LAW.

SEC. 4. That said United States Government bond notes shall be a legal tender between all national banks and shall be redeemed in gold coin when presented for payment at the bank of issue.

These United States Government bond notes are redeemable in gold coin at the bank of issue, and not by the Government, for the following reasons:

First. The Government should not be responsible for them beyond the proper custody of the guaranty fund and bonds securing them.

#### GOLD REDEMPTION OF BANK NOTES BY THE BANK OF ISSUE ONLY.

Second. These notes, constituting the great bulk of our paper money, should be good enough to pass for their face around the entire globe, and this could only be possible by making them redeemable in gold, the recognized money of the world.

Third. They should be redeemable only over the counter of the bank of issue, because they are as good as gold, being secured by the gold obligations of the Government; and the expense and trouble of Government redemption would therefore be unnecessary.

SEC. 5. That at the same time that said corporation, if located in a reserve city, shall deposit United States Government bonds as aforesaid it shall also deposit with the United States Government United States legal-tender notes or gold certificates, or both, of such an amount that it, together with the gold said corporation has on hand, will equal 15 per cent of its deposits; and the United States Government shall deliver to said corporation gold coin in lieu of said legal-tender notes and said gold certificates. Said corporation shall also deposit at the same time with the United States Government United States Treasury notes or United States silver certificates, at the option of said ministers, or both, which, with the silver coin then held by said corporation, shall amount to 10 per cent of its deposits, and the United States Government shall deliver to said corporation in lieu thereof silver coin of an equal amount; and said legal-tender notes, gold certificates, Treasury notes, and silver certificates shall be thereupon canceled. Said corporation shall thereafter keep as a reserve 25 per cent of its deposits in the following kinds of money: At least 60 per cent of said reserve shall be in gold coin, and the remaining 40 per cent of said reserve may be in silver coin or United States Government bond notes: Provided, however, That in lieu of one-half of such reserve, cash on deposit, subject to check, may be held in reserve cities.

SEC. 6. That at the same time that said corporation, if located outside a reserve city, shall deposit United States Government bonds as aforesaid, it shall also deposit with the United States Government United States legal-tender notes, or gold certificates, or both, of such an amount that it, together with the gold coin said corporation has on hand, will equal 8 per cent of its deposits; and the United States Government shall deliver to said corporation gold coin in lieu of said legal-tender notes and said gold certificates. Said corporation shall also deposit at the same time with the United States Government United States Treasury notes or United States silver certificates, at the

option of said ministers, or both, which, with the silver coin then held by said corporation, shall amount to 5 per cent of its deposits, and the United States Government shall deliver to said corporation in lieu thereof silver coin of an equal amount; and said legal-tender notes, gold certificates, Treasury notes, and silver certificates shall be thereupon canceled. Said corporation shall thereafter keep as a reserve 15 per cent of its deposits in the following kinds of money: At least 50 per cent of said reserve shall be in gold coin, and the remaining 40 per cent of said reserve may be in silver coin or United States Government bond notes: *Provided, however,* That in lieu of one-half of such reserve, cash on deposit, subject to check, may be held in reserve cities.

#### THE GOVERNMENT SHOULD GO OUT OF THE WAREHOUSE BUSINESS.

The purposes of these two sections, the first applying to banks in reserve cities, the latter to those outside, is to convert the demand obligations of the Government into gold and silver and put the metal into circulation among our people, or use it for reserves of the banks, so that hereafter all the reserves of the banks shall be gold and silver or an equivalent of gold.

#### CONTRACTION IMPOSSIBLE.

It will be apparent to the most casual observer that for every gold certificate, Treasury note, or silver certificate a corresponding amount of gold or silver will go out as they are retired, and, therefore, that no contraction can take place on their account. It might possibly be different in the case of retiring the greenbacks; for if the Government should sell bonds and draw gold coin from the banks with which to redeem the balance of the greenbacks, or about \$200,000,000 of them, after allowing for the \$146,000,000 of gold now in the Treasury, there would necessarily result a considerable contraction. But this would not be necessary, and it would not be done, for the schedule which determines the issue of the banks will give us \$435,000,000 of United States Government bond notes, or \$300,000,000 more than we now have of national-bank circulation, the amount now being \$234,000,000.

#### GOLD IN BANKS AND GOLD REQUIRED.

The actual amount of gold that all the national banks would require if 60 per cent of their reserves were held in gold, as required by this bill would, according to the estimate of the actuary of the Treasury, reach only \$189,000,986. But the national banks now hold \$160,728,890; therefore the Government would not be called upon to sell any bonds for coin, but would exchange a large amount of them, about \$300,000,000, for greenbacks under section 17 of this act.

#### IN FUNDING THE DEBT AND RETIRING THE GREENBACKS THE NET GAIN TO THE GOVERNMENT WILL BE \$1,464,390 PER ANNUM.

Here we may probably be met by that common objection of the politician that the people are unwilling to exchange this non-interest-bearing currency, amounting to \$300,000,000, for \$200,000,000 of 2 per cent bonds. We have already shown that the Government would save more than \$15,000,000 annually by funding the debt, from which, if we deduct \$4,000,000 on account of interest on the \$300,000,000 of bonds to be issued for the redemption of the greenbacks, we shall still have a net annual gain of \$11,484,880.44, or nearly \$11,000,000 per month. But should we gain nothing by the transaction, do we want to keep the greenbacks out any longer, considering the danger and expense of doing so?

#### DANGER OF DEMAND OBLIGATIONS.

Of the danger to which they constantly subject us we have all now become aware. Of the great expense incurred in maintaining them Hon. James H. Eckels, Comptroller of the Currency, has advised us in his present report, page 106, where the chief of the loan and currency division of the Treasury Department furnishes the following detailed statement:

#### COST TO THE GOVERNMENT OF MAINTAINING THE GREENBACKS.

Cost of the gold reserve, including liability for principal of bonds sold and interest thereon to their maturity.

Principal of bonds sold for resumption purposes:	
1871 and 1872.....	\$95,500,000
1873.....	100,000,000
1893.....	62,315,400
1895.....	100,000,000
Total principal.....	357,815,400
Interest at 4 per cent on the average amount of the free gold in the Treasury from January 1, 1873, to January 1, 1895.....	93,440,000
Interest from January 1, 1895, to July 1, 1907, on \$35,300,000 4 per cent bonds of 1907.....	451,235,400
Interest from January 1, 1895, to February 1, 1904, on \$100,000,000 5 per cent bonds.....	47,730,000
Interest from February 1, 1895, to February 1, 1905, on \$69,315,400 4 per cent bonds.....	45,416,666
Interest from February 1, 1895, to February 1, 1925, on \$100,000,000 4 per cent bonds.....	74,773,430
Total cost, including liability, except United States notes outstanding.....	1,001,981,096
Add amount of United States notes still outstanding.....	346,081,015
Total cost and liability.....	1,348,062,111

If the United States notes had been funded on the 1st day of January, 1879, into the thirty-year 4 per cent bonds of 1907, then being sold, the total cost to the Government therefor, including interest from January 1, 1879, to July 1, 1907, would be as follows:

Principal of bonds.....	\$346,081,000
Interest from January 1, 1879, to July 1, 1907.....	335,216,840
	741,897,840

Difference in favor of converting the United States notes into bonds..... 330,984,229

GOVERNMENT ISSUES HAVE BEEN DISCARDED BY ALL THE LEADING NATIONS OF THE WORLD.

The experience of all nations has demonstrated the fact that government issues of credit currency are the most expensive and dangerous form of money; therefore such issues have been retired and the United States Government is left in the grotesque company of India, Italy, Japan, and Russia.

SEC. 7. That the United States Government shall not pay out or reissue any United States legal-tender notes or gold certificates from and after the 1st day of January, 1898, but the same when received shall be canceled and destroyed; and further, that the United States Government shall not pay out, issue, or reissue any United States Treasury notes or silver certificates from and after the 1st day of January, 1898, but the same when received shall be canceled and destroyed.

The preceding section fixes the dates when the Government shall begin to cancel any of its demand obligations as fast as they may come into its possession, but the time is postponed so that the process may be gradual and the effect unobserved, the banking interests of the country having already adjusted themselves along the lines laid down in this measure.

#### PROVISIONS FOR CREDIT CURRENCY.

SEC. 8. That any corporation organized under this act may, with the permission and under the supervision and control of the board of finance, issue its own circulation, which shall be furnished by the United States Government and be known as United States national-bank notes. Said United States national-bank notes shall be issued in denominations of \$10 and multiples thereof, and shall be a first lien upon the assets of the bank issuing the same, and also upon the liability of the stockholders, and may be issued only in the following manner and upon the following conditions:

First. Every bank issuing United States national-bank notes shall at all times maintain against the amount of such notes outstanding a reserve corresponding to that required against its deposits.

Second. Any bank that shall have complied with this law may, with the consent and under the supervision and control of the board of finance, issue an amount of United States national-bank notes equal to 20 per cent or one-fifth of its paid-up and unimpaired capital, and shall pay upon such an amount thereof as may be outstanding at any time a tax at the rate of 1 per cent per annum.

Third. Said bank may issue a second amount of such notes equal to 20 per cent or one-fifth of its paid-up and unimpaired capital, and shall pay upon such an amount thereof as may be outstanding at any time a tax at the rate of 2 per cent per annum.

Fourth. Said bank may issue a third amount of notes equal to 20 per cent or one-fifth of its paid-up and unimpaired capital, and shall pay upon such an amount thereof as may be outstanding at any time a tax at the rate of 3 per cent per annum.

Fifth. Said bank may issue a fourth amount of notes equal to 20 per cent of its paid-up and unimpaired capital, and shall pay upon such an amount thereof as may be outstanding at any time a tax at the rate of 4 per cent per annum.

Sixth. Said bank may issue a fifth amount of notes, equal to 20 per cent or one-fifth of its paid-up and unimpaired capital and shall pay upon such an amount thereof as may be outstanding at any time a tax at the rate of 5 per cent per annum.

Seventh. If the amount of United States national-bank notes issued by any bank shall exceed at any time the paid-up and unimpaired capital of said bank, a tax at the rate of 10 per cent per annum shall be paid by said bank on such excess.

Eighth. That said ministers of finance are hereby authorized and empowered to suspend one-half of said tax upon any one or all of the said several issues of United States national-bank notes at any time after 1910, and at any time after 1890 said ministers of finance are further authorized and empowered to suspend any portion of the tax then remaining except the 10 per cent referred to in paragraph 7.

#### ADVANTAGES TO NEWER SECTIONS OF OUR COUNTRY.

That great injustice and immeasurable injury is being done to those portions of the United States which are only partially developed, either because of their newness or of adverse conditions such as have prevailed in the South for a quarter of a century by not furnishing them ample money with which to handle their products, no one who has investigated the subject will deny.

#### ANYTHING FOR RELIEF.

The undoubted injustice and the unquestioned injury prevailing in all those sections are the sole causes of the intense feeling which exists there and is impelling the people to seize upon anything that promises relief, even the free coinage of silver, although it can be demonstrated that it would only make matters still worse. But what else can they do when nothing better is offered to them and they are convinced that their conditions could not possibly be worse?

The American people are confronted with a desperate movement upon the part of a very large portion of our citizens. Shall we solve the problem and give them a fair and equal show with the balance of the country, or shall we allow this storm to gather and sweep over us with all its devastating consequences?



## WINDOM ON ELASTIC CURRENCY.

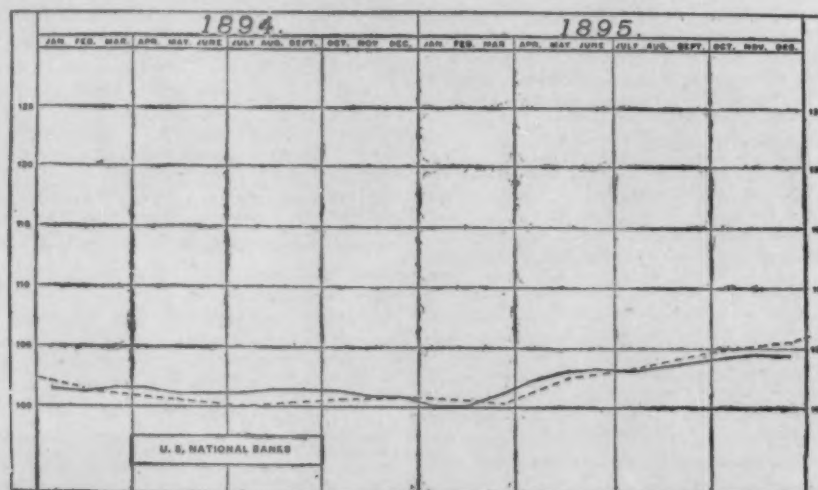
In his report for 1890 Secretary Windom well said:

In my judgment the gravest defect in our present financial system is its lack of elasticity. . . . The demand for money in this country is so irregular that an amount of circulation which will be ample during ten months of the year will frequently prove so deficient during the other two months as to cause stringency and commercial disaster. The crops of the country have reached proportions so immense that their movement to market in August and September annually causes a dangerous absorption of money. The lack of a sufficient supply to meet the increased demands during those months

may entail heavy losses upon the agricultural as well as upon other business interests.

The truth of Secretary Windom's statement is most vividly portrayed in the following diagram, which proves beyond all question of doubt that there is absolutely no relation between our currency and the movement of our crops and the commercial and trade waves of our country:

The following diagrams were prepared by Mr. L. Carroll Root, of New York:



The data given in the heavy line are the statements of outstanding circulation ordinarily quoted. They include, however, notes still held in the vaults and tills of the issuing bank; and, to the extent that this amount varies at different seasons of the year, this puts the circulation on a different basis from the others described, and thus vitiates comparison. Fortunately we have the required data given on the same basis as in the other systems for the five dates in each year for which reports are made to the Comptroller of the Currency. This information is plotted on the diagram in the broken line and is such as to indicate that even if we had similar figures for weekly or monthly periods the elasticity shown would not be materially greater.

First. It will be observed that the movements of currency in 1894 and 1895, what little there was, bore no relation to each other; that is, the slight increase in amount of currency in 1895 having no counterpart in the corresponding months of 1894.

Second. It will be observed that there was practically no variation in the amount of national-bank notes (see heavy line) during the twelve months of 1894, while an actual response of currency to trade demands would have sent the line indicating the demand in the months of August, September, and October, up to the 125 mark, if indeed not beyond the very limits of the chart itself.

## CURRENCY MOVEMENT CONTRADICTING NATURAL LAW.

Third. It will be observed that the increase of circulation in 1895 came at a time when it was not required by any demand of

trade, viz, from April to July, when indeed it should be approaching the lowest limit, barring the simple element of quarterly dividends payable July 1. What, then, was the cause of this slight increase in circulation? Is it not clearly explained by the fact that just at that time the bond syndicate was being formed and the United States bonds were selling at a price at which circulation could once more be taken out at a profit, even if trade did not demand it. And yet, when the crying demands of the cotton and grain growers, the stock raisers, and the manufacturers come from every section of our immense domain, asking for hundreds of millions with which to handle their products, there is absolutely no way under our present system of currency of increasing it to the extent of a single dollar.

## United States national banks.

At the close of—	1894.		1895.		Exclusive of bank's own notes on hand.		
	Circulation.	Per cent.	Circulation.	Per cent.	Date.	Circulation.	Per cent.
January.....	207,862,107	101.4	205,207,571	100	December, 1893.....	204,581,130	102.8
February.....	207,479,520	101.2	205,043,651	100	February, 1894.....	201,882,832	101.5
March.....	207,875,695	101.4	207,541,211	101.2	May, 1894.....	200,514,419	100.7
April.....	207,833,032	101.4	200,719,850	102.3	July, 1894.....	198,984,534	100
May.....	207,245,019	101.1	211,478,716	103.1	October, 1894.....	200,370,704	100.6
June.....	207,353,244	101.1	211,691,035	103.2	December, 1894.....	200,301,327	100.7
July.....	207,539,066	101.2	211,372,045	103.1	March, 1895.....	199,436,622	100.2
August.....	207,592,215	101.3	212,339,200	103.5	May, 1895.....	204,028,806	102.5
September.....	207,564,458	101.3	212,851,934	103.8	July, 1895.....	205,480,309	103.2
October.....	207,565,060	101.3	213,887,630	104.3	September, 1895.....	208,006,813	104.5
November.....	206,686,337	100.8	213,960,588	104.4	December, 1895.....	209,766,713	105.4
December.....	206,008,710	100.8	213,716,973	104.8	February, 1896.....	211,889,750	108.4

The currency systems of all the leading nations stand out in most striking contrast with those rigid conditions from which our producers are suffering incalculable loss. The following diagrams and tabulated statements clearly indicate in what months of the year the demand for currency is greatest in the various countries, and precisely what it is at all times, because it corresponds with more or less exactness, according to the degree of elasticity, to the ever-varying requirements of production and transportation.

For a clearer understanding and better appreciation of each illustration, the main features and peculiar characteristics of each system will be pointed out. Since there is no country in which crop conditions are so like our own as Canada, attention is

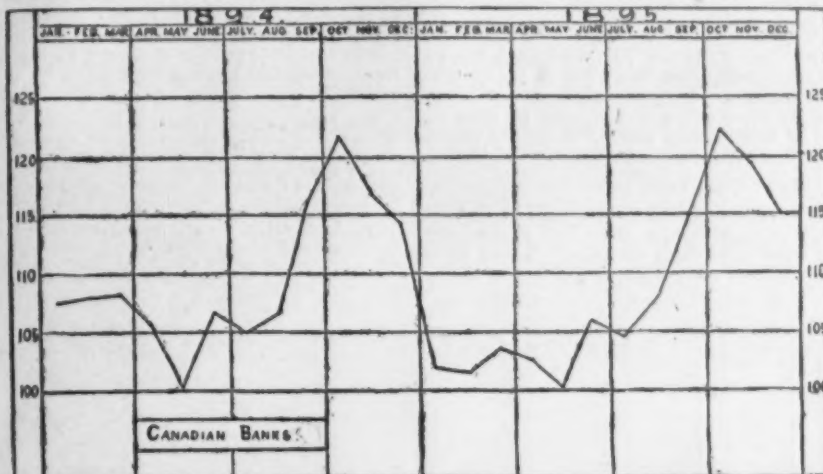
first called to the currency movements there, where there is the fullest play of expansion and contraction, as demonstrated by the fact that at no time has the amount issued approached a maximum limit.

## CREDIT CURRENCY IN CANADA.

Under the Canadian law, bank charters are granted only where the subscribed capital reaches \$500,000, of which at least \$250,000 must be paid up. The banks may establish branches and issue and reissue notes to the amount of their paid-up and unimpaired capital. These notes are a first lien upon the assets of the respective banks, but are not a legal tender. They are issued in denominations of \$5 or multiples thereof and payable to bearer on de-

mand, and intended for circulation. The paid-up capital of the Canadian banks now amounts to \$62,156,255, and yet the note issue averages only about \$30,000,000, and has never exceeded

\$38,000,000. The highest point of their issue is invariably reached in October of each year, when the crops are being moved, as indicated by the following diagram, covering the years 1894 and 1895.



Canadian banks.  
[38 banks.]

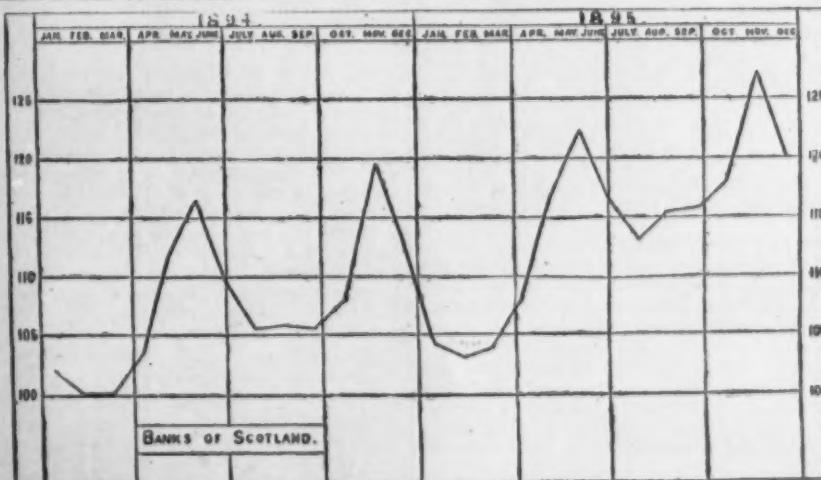
1894.	Circulation.	Per cent.	1895.	Circulation.	Per cent.
January 31.....	\$30,571,375	107.6	January 31.....	\$28,917,276	101.8
February 28.....	30,603,267	107.8	February 28.....	28,815,434	101.5
March 31.....	30,702,077	108.1	March 31.....	29,414,796	103.6
April 30.....	29,996,472	105.6	April 30.....	29,152,152	102.6
May 31.....	28,467,718	100.2	May 31.....	28,429,134	100
June 30.....	30,254,159	106.5	June 30.....	30,108,578	106
July 31.....	30,801,722	104.9	July 31.....	30,738,115	104.7
August 31.....	30,270,396	106.6	August 31.....	30,737,622	108.2
September 30.....	33,335,156	118	September 30.....	32,774,442	115.4
October 31.....	34,516,651	121.5	October 31.....	34,671,028	122.1
November 30.....	33,076,808	116.5	November 30.....	34,392,746	119.5
December 31.....	32,375,630	114	December 31.....	32,565,179	114.7

CREDIT CURRENCY IN SCOTLAND.

Since the Canadian banking system was founded largely upon the Scotch, it is most fit that attention should be directed next to the banks of Scotland.

Banking in Scotland began in 1695, more than two hundred years ago, when the Bank of Scotland was chartered with a paid-up capital of \$50,000. The country was poor, and no deposits were made at first, but the bank issued its notes in denominations of \$25, \$50, \$100, \$250, and \$500. From 1695 to 1845 no limit was placed upon the issues of notes by the banks. In 1765 payment of notes on demand was made obligatory by law. Down to 1845 there had been but one failure, the Ayr bank.

1. "It has provided Scotland with an elastic currency, adapted to the condition of her industries and adequate in volume to their changing needs."



Scotch banks.  
[10 banks.]

1894.	Circulation.	Per cent.	1895.	Circulation.	Per cent.
January 27.....	\$6,220,523	101.9	January 26.....	\$6,347,434	104
February 24.....	6,101,264	100	February 23.....	6,276,997	102.9
March 24.....	6,089,075	100	March 23.....	6,322,469	103.6
April 21.....	6,280,259	103.1	April 20.....	6,605,263	108.2
May 19.....	6,809,226	111.6	May 18.....	7,135,532	116.8
June 16.....	7,063,971	116.3	June 15.....	7,440,639	122
July 14.....	6,687,832	109.6	July 13.....	7,005,838	113.2
August 11.....	6,434,985	105.3	August 10.....	7,041,901	115.4
September 5.....	6,425,971	105.4	September 7.....	7,054,197	115.6
October 6.....	6,423,398	105.3	October 5.....	7,191,622	117.8
November 3.....	6,590,250	108.2	November 2.....	7,704,561	127.3
December 1.....	7,280,749	119.5	November 30.....	7,326,083	120
December 23.....	6,906,079	113.2	December 23.....		

As stated, down to 1844 for a period of nearly one hundred and fifty years there had been but one bank failure in Scotland,

2. "It has enabled the people to carry on numerous commercial and agricultural transactions, for which they could not have found the necessary quantity of coin, and has economized the locking up of capital in the precious metals."

3. "It has made the use of notes of small denominations familiar and popular, and has taught the people the distinction between bank notes as the representatives of credit and the precious metals as the measures of value."

4. "It has brought into active use the available savings and capital of the country."

5. "It has afforded an opportunity for entering upon business to thousands of poor but honest men, and enabled them to lay the foundation of a comfortable home, and in many cases of a fortune."

6. "It has convinced the people so conclusively of the value and safety of the banking currency system that no serious panic has ever lasted beyond a few days, or has ever affected any of the banks except those which were justly the subject of distrust." (Conant, Modern Banks of Issue, page 155.)



although banking had been perfectly free in point of issuing notes, and that failure was clearly traceable to the fact that land loans had absorbed the capital which ought to have been kept in commercial paper, or in liquid assets.

#### CREDIT CURRENCY IN GREAT BRITAIN.

The commercial crisis of Great Britain in 1839 called forth a discussion that resulted in the English bank act of 1844. The authors and advocates of that act falsely assumed that "an expansion of bank-note issues even when redeemable in coin on demand is a potent cause of commercial crises," a theory which is now supported by no one who is informed upon the subject.

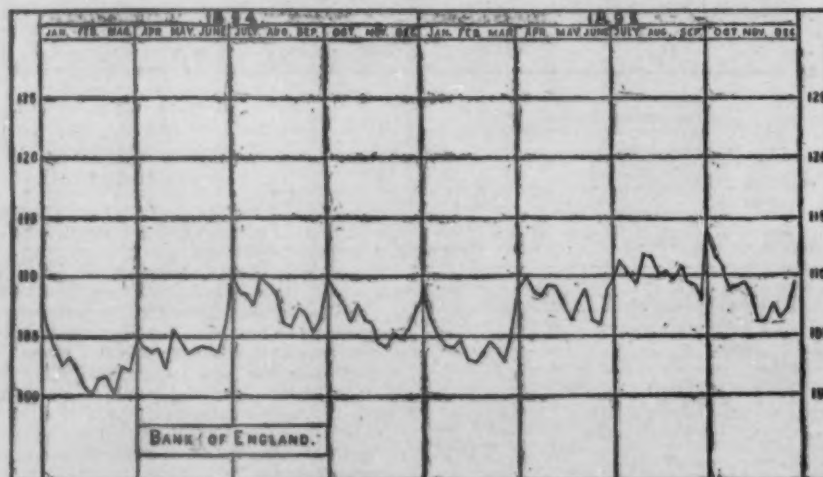
#### FIRST SUSPENSION OF THE BANK ACT.

Their error was exposed very soon after the passage of the act which was to be a cure-all for panics, for only three years later the crisis of 1847 entirely dissipated their theories. It was then demonstrated that the limitations placed upon the issues of the

banks throughout Great Britain neither prevented speculation, which is the chief cause of panics, nor reduced the issue of notes to correspond with the export of gold, and the bank was then saved from bankruptcy only by suspending the act and resorting to the issue of notes which had been supposed by its authors to be the sole source of past financial convulsions.

The complete failure of the act to prevent commercial crises was frankly admitted in the Commons by Sir Robert Peel, who had but three years before advocated the measure:

It had neither "put a check on improvident speculation," in the language of the Lords' committee, nor afforded "security against violent fluctuations in the value of money." The law was framed to arrest commercial expansion by limiting the means for carrying on commercial transactions. It failed absolutely in this object, because such operations can be carried on, and usually are carried on, by other means than bank notes, it succeeding in checking the expansion only when other forms of credit had been swept away by distrust, and expansion of note issues to fill their place was absolutely needed to prevent overwhelming commercial disaster. It did not prevent expansion when expansion might do harm; it prevented it absolutely when it might have done good. (Conant, Modern Banks of Issue, 124-125.)



The English bank act of 1844 provided that the Bank of England issue against securities, including the Government debt, Bank of England notes amounting to £14,000,000 (\$70,000,000), which it was thought upon investigation was the amount of notes that trade and commerce would require at all times when in a normal condition, and therefore might be uncovered. In addition to this amount, notes could be issued against any gold coin which might be deposited with the issue department, upon the theory that the extraordinary requirements of trade would thereby be fully met.

#### RESERVATION OF CREDIT CURRENCY.

Fortunate for the people of Great Britain, fortunate for the Bank of England itself, that conservatism which has always been so conspicuous a feature in English legislation where vested rights are involved saved to the banks of Scotland, Ireland, and the joint stock banks of England a credit circulation of about \$70,000,000.

So small is the territory of Great Britain, so great was the wealth of that country even then in the form of money, that only about one-half of this credit issue is usually employed, leaving to-day \$35,000,000 to cover the necessary expansion when crops and manufactures are to be moved or public fear is to be checked in time of panic.

#### RAISING THE BANK RATE TO PROTECT ITS GOLD RESERVE.

Again in 1857 a crisis compelled the Bank of England to suspend the bank act and prepare to issue credit notes, to which remedy the Bank of England for the first time added another method of protecting its reserves, namely, raising the rate of interest through its banking department, a device which proved most effective then and has since been practiced on many occasions with signal success.

#### GREAT BRITAIN'S CREDIT CURRENCY TOO LIMITED.

Whether the fact that London is almost a constant storm center of financial hurries, and that the Bank of England changed its rates of interest from 1845 to 1891 three hundred and fifty-four times, while the Bank of France changed its rates but one hundred and one times and the Bank of Germany only one hundred and thirty times, are not due to its purely arbitrary and mechanical structure is hardly left in doubt when we recall the fact that every severe panic in the London market has been checked only by a suspension of the bank act.

#### FORFEITURE OF ISSUES ASSUMED BY THE BANK OF ENGLAND.

The act of 1844 further provided that when any of the banks forfeited their right of issue for any reason the Bank of England, by the permission of the Crown, could issue against new securities two-thirds of the amount to which the bank had been entitled, the assumption being that the other third had been covered by coin. Through forfeiture of other banks of issue the secured circulation of the Bank of England has now been increased to £16,800,000, or about \$84,000,000.

While the act does not clearly state, and the question has not been settled by adjudication, whether the Bank of England notes are a first lien against the securities and gold deposited with the issue department, they are a legal tender everywhere in Great Britain except by the bank itself.

#### Bank of England.

1894.	Circulation.	Per cent.	1894.	Circulation.	Per cent.
Jan. 3	£25,748,110	107.3	July 4	£26,400,850	110
10	25,352,155	105.6	11	26,042,910	108.5
17	25,027,780	104.3	19	26,021,465	108.4
24	24,573,790	102.4	25	25,813,080	107.5
31	24,737,559	103.1	26	26,267,460	109.8
Feb. 7	24,463,840	102	28	26,230,685	109.3
14	24,153,750	100.7	15	25,980,350	108.3
21	23,948,070	100	22	25,455,050	105
28	24,308,400	101.3	23	25,280,045	105.7
Mar. 7	24,235,450	101	29	25,719,700	107.1
14	24,025,080	100.1	12	25,530,210	106.4
21	24,520,015	102.2	19	25,257,935	105.2
28	24,477,610	102	26	25,508,470	106.2
Apr. 4	25,172,530	104.9	28	26,383,200	109.3
11	25,030,020	104.3	10	26,008,545	108.3
18	24,838,505	103.5	17	25,776,975	107.4
25	24,920,250	103.8	24	25,430,180	105.9
May 2	25,304,535	105.3	31	25,783,310	107.4
9	25,342,485	105.6	Nov. 7	25,508,575	106.3
16	25,058,035	104.4	14	25,443,915	106
23	24,780,880	103.2	21	25,111,480	104.6
30	24,914,970	103.8	28	25,015,810	104.2
June 6	24,971,355	104	Dec. 5	25,257,070	105.2
13	24,916,080	103.8	12	25,176,705	104.9
20	24,830,480	103.4	19	25,225,105	105.6
27	25,442,635	106	26	25,676,480	107

## Bank of England—Continued.

1895.	Circulation.	Per cent.	1895.	Circulation.	Per cent.
Jan. 2.	£25,919,775	109	July 3.	£26,300,820	109.8
9.	25,519,480	108.3	10.	26,673,700	111.1
16.	25,202,515	106	17.	26,430,710	109.1
23.	25,015,550	104.3	24.	26,244,885	109.3
30.	24,926,845	103.9	31.	26,851,000	111.8
Feb. 6.	25,119,885	104.7	Aug. 7.	26,739,640	111.5
13.	24,725,820	103	14.	26,490,975	110.1
20.	24,629,095	102.6	21.	26,457,030	110.2
27.	24,794,165	103.3	28.	26,289,815	109.5
Mar. 6.	25,071,110	104.5	Sept. 4.	26,556,315	110.6
13.	24,863,105	103.7	11.	26,310,950	109.6
20.	24,679,400	102.8	18.	26,225,115	109.3
27.	25,287,160	105.4	25.	25,898,520	107.9
Apr. 3.	25,123,765	104.9	Oct. 2.	27,113,025	113.6
10.	26,310,735	109.8	9.	26,762,935	111.5
17.	26,018,345	108.4	16.	26,523,165	110.5
24.	25,978,090	108.2	23.	26,103,565	108.8
May 1.	26,238,075	109.3	30.	26,188,740	109.1
8.	26,213,295	109.3	Nov. 6.	26,237,005	109.3
15.	25,796,580	107.3	13.	25,907,065	107.9
22.	25,523,450	106.3	20.	25,469,355	106.1
29.	25,840,215	107.6	27.	25,497,595	106.2
June 5.	26,065,825	108.7	Dec. 4.	25,815,040	107.6
12.	25,493,685	106.2	11.	25,565,960	106.5
19.	25,384,400	105.8	18.	25,720,130	107.2
26.	26,101,185	108.7	24.	26,274,100	109.5

## BANK OF ENGLAND COMPARED WITH OTHER ENGLISH BANKS.

To bring into bolder relief the very great difference between the currency movements of banks having the power of credit expansion, even though limited, and those of a bank requiring gold deposits, even with all the vast power of the Bank of England to control its supply, attention is called to the diagram and tabulated statement of the joint stock banks of England, most of which are located in London and doing business under the same conditions and right by the side of the Bank of England, making the comparison so fair and perfect in every way as to justify a most conclusive deduction with regard to the wisdom and safety of a credit currency and the struggle the Bank of England is making against a great natural law.

English joint stock banks.  
(London Bankers' Magazine.)

1894.	Circulation.	Per cent.	1894.	Circulation.	Per cent.
Jan. 6.	£1,098,120	111.6	July 7.	£1,052,132	106.9
13.	1,090,735	111.8	14.	1,035,800	105.3
20.	1,089,540	110.7	21.	1,021,125	103.8
27.	1,074,425	109.2	28.	1,009,636	102.5
Feb. 3.	1,064,130	108.1	Aug. 4.	1,014,173	103.1
10.	1,058,919	107.6	11.	1,005,264	102.2
17.	1,054,830	107.2	18.	990,867	101
24.	1,042,524	105.9	25.	984,267	100
Mar. 3.	1,051,326	106.8	Sept. 1.	985,738	100.2
10.	1,038,281	107.5	15.	985,270	101.1
17.	1,073,143	109.1	22.	1,005,940	102.2
24.	1,060,595	111.7	29.	1,037,320	105.4
Apr. 7.	1,136,097	115.5	Oct. 6.	1,089,655	110.4
14.	1,142,066	116.1	13.	1,101,673	111.9
21.	1,140,693	115.9	20.	1,097,523	111.5
28.	1,149,455	116.8	27.	1,082,297	111
May 5.	1,168,008	118.8	Nov. 3.	1,102,562	112
12.	1,163,267	118.2	10.	1,116,622	113.5
19.	1,148,349	116.7	17.	1,112,149	113
26.	1,109,204	112.7	24.	1,130,271	113.6
June 2.	1,087,872	110.6	Dec. 1.	1,089,687	111.7
9.	1,049,650	108.7	18.	1,057,355	107.5
16.	1,037,978	105.5	25.	1,060,283	107.8
23.	1,030,366	105.3	29.	1,040,550	106.4

## English joint stock banks—Continued.

1895.	Circulation.	Per cent.	1895.	Circulation.	Per cent.
Jan. 5.	£1,054,004	107.2	July 6.	£1,060,135	107.7
12.	1,037,846	107.5	13.	1,044,298	106.1
19.	1,040,321	105.7	20.	1,017,658	103.4
26.	1,023,970	104.1	27.	1,008,428	102.5
Feb. 2.	1,023,040	103.9	Aug. 3.	1,011,103	102.8
9.	1,015,395	103.2	17.	1,004,567	102.1
16.	1,005,700	102.2	24.	990,801	101.3
23.	1,001,143	101.7	31.	980,430	101.6
Mar. 2.	1,014,251	103.1	Sept. 7.	1,005,850	102.2
10.	1,028,100	104.5	14.	1,002,714	101.9
23.	1,043,310	106	21.	1,015,887	103.2
30.	1,083,152	110.1	28.	1,042,733	105.9
Apr. 6.	1,125,400	114.4	Oct. 5.	1,080,758	110.8
13.	1,120,488	114.5	12.	1,108,722	112.7
20.	1,100,930	112.5	19.	1,104,596	112.3
27.	1,107,641	112.6	26.	1,100,397	111.8
May 4.	1,133,830	115.2	Nov. 2.	1,110,181	112.8
11.	1,144,689	116.3	9.	1,120,038	114.4
18.	1,141,698	116.3	16.	1,127,305	114.7
25.	1,119,600	113.8	23.	1,120,314	114.9
June 1.	1,111,538	112.9	30.	1,107,385	112.5
15.	1,082,064	107.9	Dec. 14.	1,053,308	107
22.	1,044,013	106.1	21.	1,032,606	104.8
29.	1,047,499	106.5	28.	1,040,667	105.8

## IMPERIAL BANK OF GERMANY.

But the Imperial Bank of Germany illustrates this principle more strikingly even than the joint-stock banks of England.

That the framers of the German act were largely influenced by many of the provisions of the English bank act of 1844 there can be no doubt; but the differences are still more striking than the points of similarity. The German act, with its very high order of tests for soundness, provides for a system of free banking, pure and simple, with a repressive burden in the form of a 5 per cent tax.

The notes, which are not a legal tender, are issued against the general assets of the bank, which remain entirely within its control, no part of them being set aside to specially secure the notes.

"The law has simply provided by suitable measures that the affairs of the banks, including its issue of notes, and the money and securities held by it, shall meet certain tests of soundness, believing that both the ultimate solvency of the bank and the prompt payment of its circulation are thus made secure." (Dunbar, Theory and History of Banking, 195.)

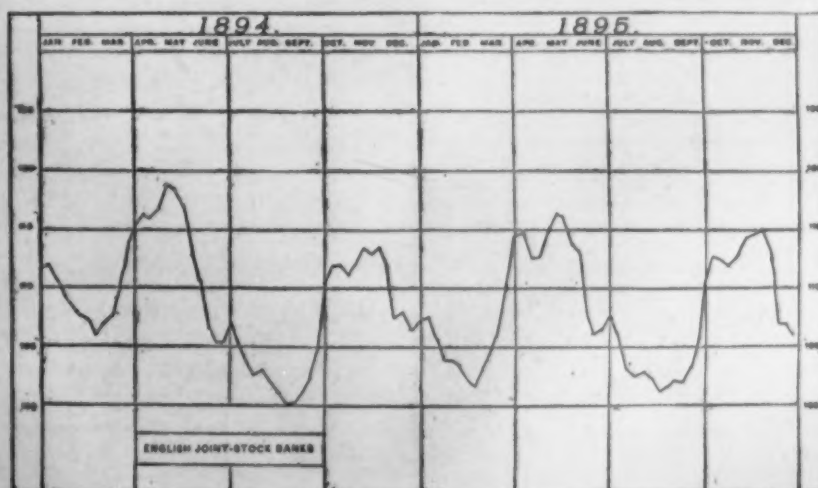
## AUTHORIZED CIRCULATION.

It fixed a limit of authorized circulation requiring a reserve of one-third in cash or its equivalent, and that the other two-thirds should be covered, by two-name paper running ninety days or less, and that all notes issued beyond the limit so fixed should be covered by cash. However, observing that the want of elasticity had proven a constant danger to the Bank of England, the act provides that should the Imperial Bank issue its notes in excess of the limit and without covering the same with gold coin, it should simply pay interest on the excess of its notes at the rate of 5 per cent per annum.

## NOTE ISSUES EXCEEDING THE LIMIT.

The act was passed in 1875, and the first issue of its notes subject to the tax occurred in December, 1881, and afterwards in the following years: September and October, 1882; December, 1886; in the latter part of 1889 (when the excess reached \$26,000,000); in 1890, 1892, and 1893.

The note issues of the bank December 31, 1894, amounted to



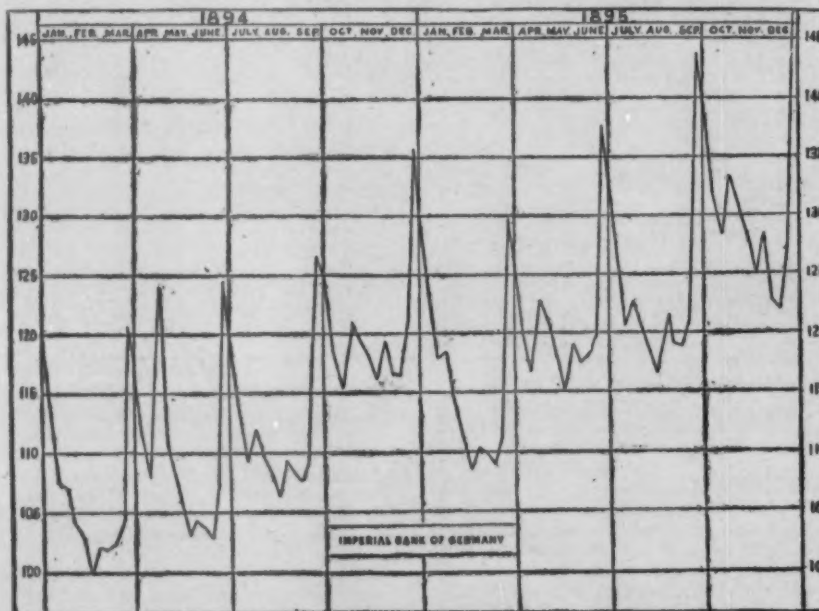


1,835,545,820 marks (\$458,886,455), while the balance due creditors in accounts current amounted to 434,742,297.44 marks (\$108,685,474.38), and the deposits without interest were only 558,669.70 marks (\$139,167.42).

IMPERIAL BANK LOANS ITS NOTES INSTEAD OF DEPOSITS.

It should be observed that for every dollar of deposits without

interest at the Imperial Bank of Germany \$3,298 of the bank's notes are outstanding, making it essentially a bank of note issues as distinguished from a bank of deposit; nor does the Imperial Bank of Germany stand alone in this respect among all the great banks of the world, for the Bank of France belongs distinctly to the same class, as we shall now see.



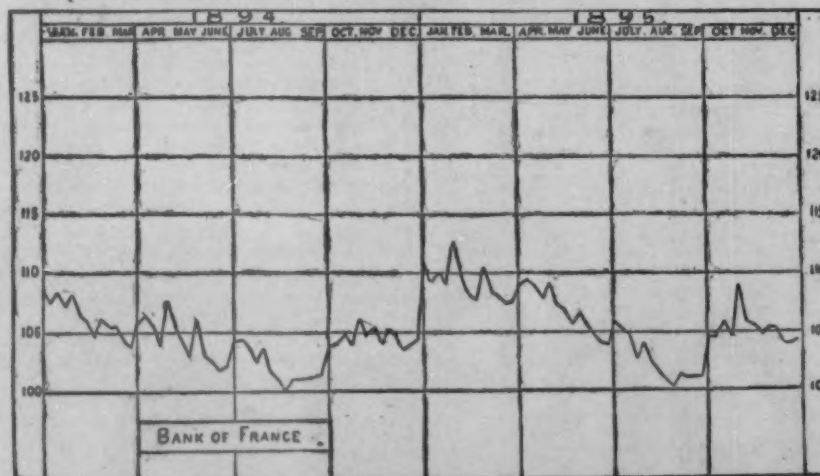
[Please compare this with the United States National Bank Diagram.]

Bank of Germany.

1894.	Circulation.	Per cent.	1894.	Circulation.	Per cent.
<i>Marks.</i>					
Jan. 7	1,072,655,000	120.1	July 7	1,058,871,000	118.7
15	1,014,231,000	113.6	15	1,016,632,000	114
23	960,071,000	107.5	23	977,989,000	109.5
31	953,172,000	106.7	31	968,004,000	111.8
Feb. 7	932,947,000	104.5	Aug. 7	980,231,000	109.8
15	920,132,000	103	15	960,406,000	108.2
23	892,870,000	100	23	951,499,000	106.5
28	908,572,000	101.7	31	975,346,000	109.2
Mar. 7	909,578,000	101.8	Sept. 7	964,925,000	108
15	910,350,000	101.9	15	962,182,000	107.6
23	932,008,000	104.5	23	973,197,000	109
31	1,079,708,000	120.9	30	1,126,400,000	126.2
Apr. 7	1,042,123,000	116.7	Oct. 7	1,115,925,000	125
15	995,806,000	111.5	15	1,058,872,000	118.5
23	906,612,000	108.2	23	1,030,901,000	115.4
30	1,005,858,000	112.6	31	1,078,856,000	120.8
May 7	989,634,000	110.8	Nov. 7	1,062,659,000	119
15	945,733,000	105.9	15	1,052,787,000	117.9
23	920,547,000	103.1	23	1,036,503,000	116
31	932,808,000	104.5	30	1,044,627,000	119.2
June 7	922,948,000	103.4	Dec. 7	1,040,868,000	116.5
15	917,720,000	102.8	15	1,038,828,000	116.3
23	958,668,000	107.3	23	1,070,682,000	120.9
30	1,109,188,000	124.2	31	1,211,232,000	135.6

Bank of Germany—Continued.

1895.	Circulation.	Per cent.	1895.	Circulation.	Per cent.
<i>Marks.</i>					
Jan. 7	1,164,040,000	130	July 7	1,186,450,000	132.8
15	1,101,472,000	123.3	15	1,126,670,000	126.2
23	1,052,022,000	117.9	23	1,076,758,000	120.6
31	1,055,604,000	118.2	31	1,003,495,000	122.4
Feb. 7	1,024,074,000	114.6	Aug. 7	1,076,173,000	120.5
15	908,450,000	111.8	15	1,057,639,000	118.4
23	968,210,000	108.4	23	1,040,681,000	116.5
28	984,088,000	110.2	31	1,073,883,000	120.2
Mar. 7	980,813,000	109.8	Sept. 7	1,061,536,000	118.9
15	973,571,000	109	15	1,059,922,000	118.7
23	963,273,000	111.2	23	1,079,823,000	120.9
31	1,157,191,000	129.5	30	1,282,764,000	143.6
Apr. 7	1,130,181,000	126.5	Oct. 7	1,244,933,000	139.4
15	1,009,673,000	119.8	15	1,176,735,000	131.8
23	1,041,938,000	116.6	23	1,148,707,000	128.6
30	1,005,735,000	122.7	31	1,192,093,000	133.4
May 7	1,074,301,000	120.3	Nov. 7	1,161,530,000	130.1
15	1,051,243,000	117.7	15	1,141,619,000	127.8
23	1,027,210,000	115	23	1,117,608,000	125.1
31	1,060,631,000	118.7	30	1,148,755,000	128.6
June 7	1,048,129,000	117.4	Dec. 7	1,063,734,000	122.5
15	1,054,557,000	118	15	1,087,877,000	127.1
23	1,069,291,000	119.7	23	1,135,181,000	127.1
30	1,227,712,000	137.4	31	1,320,089,000	147.8



## BANK OF FRANCE.

The Bank of France differs in its organization from both that of Germany and England. Its capital is 182,000,000 francs (\$36,500,000), and its note-issue privilege is fixed at the enormous figure of 4,000,000,000 francs (\$800,000,000). There is no law determining how much specie or security of any kind shall be held against the notes outstanding which are a legal tender so long as the bank maintains specie redemption of them. The notes outstanding January 1, 1895, amounted to 3,679,215,530 francs (\$735,843,041), while the deposits, public and private, were only 632,988,983 francs (\$126,597,796). But the cash on hand was 3,304,835,974 francs (\$660,567,195), from which it is clearly evident that the cash was the proceeds of notes issued and still outstanding and was not made up of deposits. Do not the conditions and practices of these two last great banks establish beyond question in the minds of every frank man the fundamental truth that there is not the slightest difference between loaning out the notes of a bank and loaning out any deposits it may have? All the notes are just as liable to be presented at the same moment of time as the deposits are to be drawn during a single hour of a day, and no more so. There are certain conditions that make the deposits in the bank safe. There are also certain conditions that will make note issues sound, and the most important condition, and I ought to say the essential counterpart of note issues, is current redemption in gold coin or its equivalent.

## Bank of France.

1894.	Circulation.	Per cent.	1894.	Circulation.	Per cent.
Jan. 3.....	3,615,200,000	108.5	July 4.....	3,473,400,000	104.2
10.....	3,594,200,000	107.8	11.....	3,480,800,000	104.4
17.....	3,613,700,000	108.4	18.....	3,455,800,000	103.7
24.....	3,568,100,000	107	25.....	3,412,800,000	102.4
31.....	3,611,400,000	108.3	Aug. 1.....	3,453,000,000	103.6
Feb. 7.....	3,543,900,000	106.3	8.....	3,382,100,000	101.5
14.....	3,531,100,000	105.9	14.....	3,367,000,000	101
21.....	3,487,700,000	104.6	22.....	3,325,400,000	100
28.....	3,520,500,000	105.9	29.....	3,366,400,000	101
Mar. 7.....	3,510,000,000	105.3	Sept. 5.....	3,365,000,000	101
14.....	3,510,200,000	105.3	12.....	3,369,700,000	101.1
21.....	3,464,100,000	103.9	19.....	3,370,500,000	101.3
28.....	3,455,800,000	103.7	26.....	3,380,600,000	101.4
Apr. 4.....	3,518,800,000	105.6	Oct. 3.....	3,457,000,000	103.7
11.....	3,530,900,000	105.9	10.....	3,471,700,000	104.1
18.....	3,515,400,000	105.5	17.....	3,493,200,000	104.8
25.....	3,472,800,000	104.1	24.....	3,455,400,000	103.7
May 2.....	3,588,800,000	107.7	31.....	3,531,700,000	106.8
9.....	3,512,700,000	105.4	Nov. 7.....	3,494,700,000	105.3
16.....	3,482,700,000	104.5	14.....	3,509,800,000	105.9
23.....	3,438,500,000	103.2	21.....	3,462,400,000	105.1
30.....	3,537,000,000	104.1	28.....	3,503,700,000	105.1
June 6.....	3,440,100,000	103.2	Dec. 5.....	3,479,500,000	104.4
13.....	3,419,600,000	102.6	12.....	3,445,700,000	103.4
20.....	3,390,100,000	101.7	19.....	3,458,500,000	103.8
27.....	3,399,400,000	102	26.....	3,483,800,000	104.5

1895.	Circulation.	Per cent.	1895.	Circulation.	Per cent.
Jan. 2.....	3,631,900,000	110.5	July 3.....	3,523,600,000	105.7
9.....	3,637,200,000	109.1	10.....	3,506,400,000	105.2
16.....	3,659,600,000	109.8	17.....	3,497,500,000	104.9
23.....	3,632,600,000	109	24.....	3,424,800,000	102.7
30.....	3,731,800,000	112.6	31.....	3,475,500,000	104.2
Feb. 6.....	3,634,100,000	109	Aug. 7.....	3,494,500,000	105.1
13.....	3,600,800,000	108	14.....	3,379,400,000	101.4
20.....	3,579,600,000	107.4	21.....	3,334,100,000	100
27.....	3,673,100,000	110.4	28.....	3,342,800,000	100.3
Mar. 6.....	3,606,400,000	108.1	Sept. 4.....	3,375,800,000	101.3
13.....	3,595,700,000	107.9	11.....	3,362,000,000	101.0
20.....	3,572,200,000	107.1	18.....	3,333,100,000	100.9
27.....	3,576,900,000	107.3	25.....	3,365,800,000	101
Apr. 3.....	3,626,500,000	108.8	Oct. 2.....	3,488,600,000	104.7
10.....	3,642,400,000	109.3	9.....	3,486,800,000	104.6
17.....	3,624,300,000	108.7	16.....	3,522,600,000	105.7
24.....	3,500,900,000	107.7	23.....	3,483,900,000	104.5
May 1.....	3,628,500,000	108.9	30.....	3,628,700,000	108.9
8.....	3,568,800,000	107	Nov. 6.....	3,533,600,000	106
15.....	3,550,500,000	106.5	13.....	3,520,600,000	105.6
22.....	3,512,200,000	105.3	20.....	3,495,200,000	104.9
29.....	3,549,000,000	106.5	27.....	3,508,600,000	105.3
June 5.....	3,519,100,000	105.6	Dec. 4.....	3,505,800,000	105.2
12.....	3,490,500,000	104.9	11.....	3,473,900,000	104.2
19.....	3,474,100,000	104.2	18.....	3,474,600,000	104.2
26.....	3,463,200,000	103.9	25.....	3,486,400,000	104.6

## NOTE ISSUES OF SMALL BANKS.

If, then, it is as sound in principle to issue notes as to take deposits, it is as safe to permit a small bank to issue its notes as to take deposits, therefore the objection must be made to the small banks' power to issue notes on broader grounds than its unwisdom in general, the objection being equally good to the same small banks accepting deposits and becoming responsible for them. But is not the story of all those little banks which served the people of New England so well under the Suffolk system, by issuing their notes at a time when the people of New England had no money to de-

posit in the banks, as well as the story of the Scotch banks, covering a period of one hundred and fifty years, issuing their notes when the people of Scotland had no money to deposit, and yet enjoyed a large use of the notes which the banks issued—a full answer to a mere opinion without a fact to rest upon?

## NEW HAMPSHIRE BANKS UNDER THE SUFFOLK SYSTEM.

For a thorough understanding and a proper appreciation of what was done under the "Suffolk system," I submit a statement of the conditions of the banks of the State of New Hampshire on the first Monday in June, 1860. [For statement, see next page.]

It will be observed in examining this statement that while the capital was \$4,991,000, the deposits were only \$1,211,551.88, and yet the notes issued by the banks amounted to \$3,117,444, and the amount of gold on hand (for specie then meant gold) was only \$253,496.35, or only 5½ per cent of the notes outstanding and deposits combined. It must be remembered in this connection that all the notes cleared through the "Suffolk system" were selling at a premium in all parts of the United States, and therefore the people of New Hampshire actually enjoyed the use of the amount of the notes issued, \$3,117,444, or nearly three times the amount of the deposits, and that the notes served identically the same purpose that the same amount of deposits would have done.

## CAPACITY OF OUR PRESENT BANKS OPERATING UNDER A SIMILAR LAW.

Comparing what the banks of New Hampshire then did with what some of our States might do to-day under the provisions of this bill, it will be found that if the money were demanded and the credit of those wishing to borrow were good, the banks of Virginia, out of their own resources, without borrowing money in New York or any other money center, could furnish her people with \$12,217,416; the banks of Georgia could furnish her people with \$16,548,905; the banks of Mississippi could furnish her people with \$4,521,325; the banks of Texas could furnish her people with \$28,678,850; the banks of Iowa could furnish her people with \$43,156,321; the banks of South Dakota could furnish her people with \$4,696,164; the banks of the State of Washington could furnish her people with \$17,438,200; the banks of California could furnish her people with \$59,800,205, and so on through the entire list of States. But I will content myself with representative States in different sections of the country. That this could be done with absolute protection to the note holders and entire safety to the banks is verified by the experience of the banks included in the "Suffolk system."

## EXPANSION OF CURRENCY UNDER THE SUFFOLK SYSTEM AND COST OF REDEMPTION.

"The circulation of the New England banks in 1858 was less than \$400,000,000, and the redemptions for that year through the Suffolk Bank were \$400,000,000. Every note, therefore, on the average, passed through the redemption agency ten times a year, or a little less often than once a month. This frequency of redemption not only tested the solvency of the banks by the ultimate test of a banking currency, but it kept the circulation constantly adjusted to business conditions. The redemptions through the Suffolk agency were \$76,248,000 in 1834 and increased to \$105,457,000 in 1837. There were fluctuations during the period of specie suspension, but the redemptions increased progressively to \$137,000,000 in 1845, \$220,000,000 in 1850, and \$341,000,000 in 1855, until they reached their maximum of \$400,000,000 in 1858. The expenses of carrying on the redemption agency reached a maximum of \$40,000 in 1858, making an average expense of 10 cents per \$1,000 (or one one-hundredth of 1 per cent, or one-tenth of 1 per cent per annum). The suspension of specie payments by the banks of the country at the close of 1861, as the result of Secretary Chase's issue of Government demand notes, arrested the regularity of redemptions through the Suffolk system, and was superseded before resumption by the national banking system. The Suffolk system was never sustained by formal law, but it maintained New England bank currency for a generation at a par with gold, and prevented any losses to note holders larger than a fraction of 1 per cent of the entire volume of circulation."

In the face of all this evidence I do not believe that anyone will have the hardihood to deny the safety and wisdom of ingrafting upon our banking system this right of note issue, safeguarded in the outset as this bill provides.

## GRADUAL ADOPTION.

It will be observed that precaution has been taken to replace all of the United States notes with gold and United States Government bond notes, so that no part of our present money shall be displaced by bank notes until the system has been fully tried in supplying the extra amount of circulation that may be required to move the crops or products in every part of the country, or meet any monetary crisis. Since, then, the money in circulation to-day, if properly distributed, would approximately meet the normal demand, the introduction of this system into our financial operations must necessarily come gradually, and will also be steadied by the graduated tax, and, in addition, be under the constant supervision of the ministers of finance.



A statement of the condition of the several banks in New Hampshire as they existed on the first Monday of June, 1890, made in conformity to sections 17 and 18, chapter 140, of the revised statutes of New Hampshire, approved December 23, 1845.

Name of bank and place of business.	Amount of capital stock actually paid in.	Amount of debts due the bank secured by pledges of its stock.	Value of real estate belonging to the bank.	Amount of all debts due to the bank.	Amount of all debts due from directors, either as principal or sureties, specifying whether on interest or otherwise.	Amount of specie in the vault.	Amount of bills of other banks on hand and checks.	Amount of deposits in the bank.	Amount of deposits in other banks for the redemption of its bills.	Amount of the bills of the bank then in circulation.
Amoskeag, Manchester	\$200,000	\$14,300.00	None.	\$244,272.85	\$3,580.00	\$5,990.79	\$5,883.00	\$49,984.76	\$38,087.25	\$133,820
Ashuelot, Keene	100,000	None.	\$3,500.00	149,912.03	a3,100.00	4,339.85	4,280.00	14,212.44	22,000.75	61,045
Bank of New Hampshire, Portsmouth	150,000	5,169.52	None.	230,240.65	2,119.29	9,194.33	3,540.29	43,804.33	8,452.02	44,133
Bank of Lebanon, Lebanon	100,000	1,500.00	2,800.00	163,446.43	a500.00	15,331.30	1,535.00	15,831.63	24,874.69	89,745
Bellnap County, Laconia	80,000	None.	None.	126,202.46	a310.00	4,671.04	2,536.95	13,531.55	13,531.55	76,554
Cochecho, Dover	100,000	490.00	4,244.51	170,019.08	a251.71	2,550.63	3,160.00	36,684.70	611,320.03	41,272
City, Manchester	150,000	1,150.00	4,266.82	210,389.96	500.00	1,094.61	1,900.00	13,330.81	27,013.06	72,227
Claremont, Claremont	100,000	3,700.00	None.	180,697.32	a355.00	4,730.85	1,168.00	22,876.40	c9,191.28	64,000
Citizens', Sanbornton	50,000	None.	94,373.71	94,373.71	d300.00	2,373.02	1,635.50	10,501.87	14,914.10	47,592
Connecticut River, Charlestown	100,000	None.	None.	161,888.00	e3,050.00	4,100.30	400.00	6,316.15	2,840.00	50,816
Cheshire, Keene	100,000	None.	4,000.00	172,438.23	f1,150.00	4,220.50	5,025.00	21,014.22	14,189.39	69,651
Cheshire County, Keene	100,000	None.	3,200.00	170,570.41	h1,000.00	5,212.25	1,076.33	19,918.20	10,500.43	67,616
Carroll County, Sandwich	50,000	None.	500.00	75,250.00	2,442.27	8,138.18	2,890.00	73.00	9,442.03	35,253
Derry, Derry	60,000	500.00	1,500.00	95,767.87	g1,200.00	3,732.47	1,697.00	9,119.30	15,105.40	34,706
Dover, Dover	100,000	400.00	6,000.00	181,343.41	a800.00	2,770.30	2,814.00	18,008.47	16,316.00	70,429
Farmington, Farmington	75,000	1,500.00	3,265.82	112,250.37	700.00	1,920.30	561.00	11,267.25	11,000.47	28,188
Francetown, Francetown	80,000	None.	None.	111,364.99	None.	2,565.50	3,600.00	10,975.55	c18,898.23	55,556
Farmers and Mechanics', Rochester	60,000	200.00	None.	90,430.81	f1,770.00	2,950.15	600.00	1,874.71	d11,222.88	41,553
Granite State, Exeter	100,000	605.00	4,000.00	165,354.67	f1,142.04	6,319.67	3,970.00	32,870.69	39,613.64	78,067
Great Falls, Somersworth	150,000	4,512.25	2,429.74	214,019.52	h1,000.00	3,900.93	1,424.00	19,308.77	11,895.23	62,840
Indian Head, Nashua	150,000	None.	None.	255,570.62	None.	7,413.43	3,478.00	29,491.74	c28,204.03	97,328
Lake, Wolfboro	75,000	600.00	1,050.00	106,270.47	g1,105.77	2,764.19	55.00	7,951.12	7,404.06	59,250
Langdon, Dover	100,000	None.	4,204.98	182,634.90	1,268.30	3,877.24	2,874.74	23,336.04	14,512.84	72,776
Mechanics', Concord	100,000	None.	1,200.00	221,072.45	None.	10,394.34	6,151.00	67,906.66	31,654.88	97,233
Merrimack County, Concord	80,000	None.	2,465.00	155,351.94	None.	12,813.41	7,812.37	54,067.30	44,800.04	60,630
Manchester, Manchester	125,000	None.	None.	288,798.64	g3,500.00	4,058.76	4,517.00	74,833.43	17,672.57	100,907
Mechanics and Traders', Portsmouth	141,000	None.	None.	262,304.79	None.	8,703.07	2,560.53	80,087.49	19,842.13	61,063
Monadnock, Jaffrey	50,000	None.	None.	82,720.87	212.50	4,528.89	1,746.90	11,840.53	23,106.40	44,601
Merrimack River, Manchester	150,000	4,325.00	3,173.37	225,004.67	None.	3,247.14	4,918.00	24,288.50	c21,595.33	64,636
Nashua, Nashua	125,000	None.	None.	254,304.27	None.	13,405.95	427.00	26,292.31	13,626.73	100,918
New Ipswich, New Ipswich	100,000	700.00	1,000.00	134,973.43	300.00	4,394.35	750.19	10,622.69	36,788.81	63,378
New Market, New Market	60,000	None.	None.	153,713.83	g1,200.00	3,240.53	316.00	49,070.50	b18,381.93	59,258
Piscataqua Exchange, Portsmouth	200,000	None.	400.00	288,205.05	7,322.00	7,764.31	2,004.16	66,790.31	30,732.92	51,316
Pawtucketway, Epping	50,000	600.00	None.	85,560.14	g1,561.66	2,643.68	2,311.34	9,195.21	14,940.21	30,586
Pittsfield, Pittsfield	50,000	None.	2,535.55	90,928.52	a750.00	2,680.59	2,904.00	8,920.15	12,237.65	43,883
Peterboro, Peterboro	90,000	None.	80,850.31	98,850.31	a700.00	2,390.35	2,807.80	11,720.71	30,012.37	49,109
Pennichuck, Nashua	100,000	1,275.00	None.	132,048.18	f200.00	2,806.97	4,060.00	21,316.23	24,742.23	56,960
Pine River, Ossipee	50,000	500.00	None.	101,180.06	m534.59	1,538.24	222.00	11,042.47	84,130.00	44,119
Rochester, Rochester	80,000	None.	1,200.00	118,674.38	None.	3,089.12	7,463.00	5,420.93	5,575.35	47,528
Rockingham, Portsmouth	200,000	1,050.00	5,000.00	330,144.17	None.	7,693.99	945.30	47,133.35	18,278.98	67,144
State Capital, Concord	150,000	1,500.00	None.	245,962.00	a1,750.00	9,281.36	4,756.92	25,050.67	23,133.30	99,091
Salmon Falls, Rollinsford	50,000	None.	2,594.11	75,611.67	g132.00	1,849.97	925.00	9,909.11	11,935.50	26,988
Strafford, Dover	120,000	2,550.00	4,500.00	217,044.96	a1,404.87	3,680.89	4,399.75	43,654.03	38,316.39	73,160
Sugar River, Newport	50,000	None.	None.	84,080.66	None.	4,042.95	500.00	1,837.23	3,301.94	45,000
Souhegan, Milford	100,000	660.00	1,278.08	144,804.17	f1,895.43	3,260.89	3,461.23	6,701.45	c19,818.98	62,919
Somersworth, Somersworth	100,000	3,025.00	None.	146,070.52	g1,216.30	2,500.88	1,511.50	9,785.49	d7,019.11	40,910
Union, Concord	100,000	4,950.00	None.	205,708.62	g1,506.00	11,528.08	15,214.00	63,562.92	c22,855.02	79,773
Warner, Warner	50,000	None.	None.	99,101.79	200.00	2,855.74	5,989.08	10,953.52	3,256.15	43,920
Weare, Hampton Falls	50,000	1,938.81	None.	67,730.92	7,400.00	1,901.94	254.00	2,290.13	a7,407.23	23,521
Winchester, Winchester	100,000	None.	3,300.00	144,801.66	a4,777.39	4,718.44	5,531.91	2,755.76	5,154.37	57,117
White Mountain, Lancaster	50,000	None.	1,000.00	77,020.08	a1,720.50	5,550.40	6,500.20	3,110.50	5,300.80	41,680
Total	4,941,000	57,585.58	75,725.98	4,330,918.68	65,961.61	253,496.35	156,396.97	1,211,551.88	941,190.47	3,117,444

a On interest.

b Including \$2,000 in capital stock, Bank of Mutual Redemption.

c Including \$3,000 in capital stock, Bank of Mutual Redemption.

d \$200 interest in advance; \$100 on interest.

e Interest disbursed.

f Interest advanced.

g Interest paid in advance.

h Including \$1,200 in capital stock, Bank of Mutual Redemption.

i Including stock in Bank of Mutual Redemption.

j \$992.04 interest, paid in advance; \$150 on interest.

k \$700 also as surety; \$300 on interest in advance.

l Including \$1,000 capital stock, Bank of Mutual Redemption.

m \$319.10 on interest; \$215 not on interest.

STATE OF NEW HAMPSHIRE, Secretary of State's Office, June 15, 1890.

The above is a true statement of the condition of the several banks in this State as returned to this office.

Attest:

THOMAS L. TULLOCK, Secretary of State.

#### THE CONDITIONS OF OUR COUNTRY DEMAND IT.

Let us now speak of its adaptation to our conditions and needs and the advantages that must necessarily come to us from its adoption.

First. As to our condition and needs, it is to be observed that a comparison of our condition, domain, commerce, and population with those of the countries mentioned clearly establishes the fact that if an elastic currency has proved of an inestimable advantage to them, it would be of a still greater benefit to us. For, owing to our immense products at great distances from our financial centers, more particularly in our partially developed sections, it becomes absolutely necessary that the local banks provide money by expressing bills of lading and the notes of our merchants and farmers to the great commercial centers and, borrowing money upon them, ship it out to the various sections thousands of miles away, and when our crops and products are marketed, ship the money back to the far-off centers and express the notes and other collateral home again. What we do in this line of business is without a parallel anywhere in the civilized world.

Lingering prejudice may breed pernicious and unfounded suspicions, but experience, common sense, reason, and justice plainly point the way.

#### IN PRINCIPLE ALL SECTIONS ARE SIMILARLY SITUATED.

Second. What advantages will necessarily follow the adoption of this system in this country may be more clearly seen by some concrete illustration. Choose, if you will, the city of New Orleans, the cotton center of the South; or Kansas City, handling the varied crops of the central West; or Fargo, lying in the lap of our greatest wheat region in the central North; or Seattle, struggling with the diversified products of the great Northwest; or Los Angeles, unable to handle the golden fruits of southern California for the want of an adequate currency; and what is true of these greater centers is equally true of every community having banking facilities throughout the entire length and breadth of our country. Certainly it will not be denied that the notes and bills of lading in the banks of New Orleans, or any other city, are just as good security there for the redemption of any notes the banks themselves may issue as they are tied up in bundles and held in New York City for the security of the currency that may be shipped South. The amount of money used in either case would be the same; the amount of security the same.

#### WHAT A BANK ACTUALLY DOES TO GET CURRENCY.

Then what is the difference? Let us see. A New Orleans bank which has a capital of \$300,000 ties up in a bundle \$125,000, or

perhaps \$150,000, of its best notes and ships them to its New York correspondent, and borrows, if perchance there is no panic on, \$100,000 of money, paying on an average about 6 per cent per annum for it, and loans it out to move the cotton crop in its section. As it must pay the express two ways on the \$150,000 of discounts or notes and the express two ways on the \$100,000 borrowed, the producers of the South must pay anywhere from 8 to 10 per cent for the money, and should do so, considering the risks and what it costs the bank, for we must remember that the banking business pays no great return upon the capital engaged in it. The report of the Comptroller of the Currency shows that the average earnings of all the national banks of the United States were only 5 per cent for the year ending March 1, 1895, and 5.4 per cent for 1896, which is a low rate, considering the risks involved in the double liability of stockholders.

Some of our people seem to think that national banks are favored institutions. That this is a mistaken idea and that its advantages, if any, are open to all of our people alike, let me call your attention to the following facts:

#### ONLY ONE-THIRD OF OUR BANKS ARE NATIONAL.

First. If the national banks are specially favored, why do not the several thousand trust companies, State banks, and private banking firms organize at once under that law? There are but 8,679 national banks, while there are 5,708 State banks.

Second. No one who is a conservative adviser ever suggests national-bank stock to the widow or aged, or those with limited means, because the risk in holding it is so great.

Third. The shares are only \$100 each, so that any frugal person may invest in the stock of a national bank if he desires to do so.

Fourth. We must not forget that if banking under a national-bank charter was so much more profitable than any other business, men of means stand ready at all times to engage in it, bringing the profits down to or below the level of all other investments.

#### DEMAGOOGUES TAKE ADVANTAGE OF IGNORANCE TO AROUSE PREJUDICE.

This suspicion or misapprehension that the Government is extending through the national banks to some one something that everybody else can not get has given birth to a kind of prejudice—the child of ignorance—excited an unwarranted jealousy, and developed a groundless opposition in some localities to a system that has raised the standard of banking in this country and provided the American people with a currency as sound as any in the world, and calling for the admiration of all civilized nations.

Now, recurring to the special matter in hand, let us suppose that this same New Orleans bank, with its \$500,000 capital, was organized under this bill. What could it have done under the section now being discussed?

#### WHAT A BANK MIGHT DO UNDER THIS MEASURE.

The bank need not tie up and ship away \$150,000 of its best securities, but keeping them in its own safe issue \$100,000 of its own notes at a cost of 1 per cent per annum instead of 8 per cent.

Will it be necessary to state that this difference of 5 per cent in the two instances will, every penny of it, amounting to \$5,000 on every \$100,000 loaned, come out of the merchants, farmers, or producers, and practically all of it out of the farmers or producers? Again, we should not fail to observe that the tax paid on the circulation goes into the United States Treasury to help pay the expenses of the Government, and to that extent the people will be relieved of taxation.

#### FARMERS AND PRODUCERS WILL REAP THE ADVANTAGE.

Will anyone seriously urge that any portion of this heavy charge will be borne by the bankers? Nor will anyone at all familiar with the laws of trade doubt that the people—farmers and producers—will ultimately get every farthing of the advantage gained, for competition would very soon bring the bankers' share of profit to a fixed limit, not varying much from its present margin, thus saving to the people, the producers of our country—farmers and laborers—anywhere from 1 to 5 per cent per annum upon the capital borrowed to carry on the commerce of the country.

The value of our finished product, it will be remembered, now annually exceeds \$12,000,000,000.

Mr. Edward Atkinson, the statistician, has estimated that in the transformation from the unmined coal and iron, the unbroken forest, and the fallow fields to the homes in which we live, the things we wear, and those we eat, there are at least three transfers of this vast property, or \$36,000,000,000 passing from man to man. Is it not reasonable to suppose that at least two-thirds of this amount is handled with borrowed capital? If so, even if the loans ran but sixty days and 1 per cent can be saved on this two-thirds, or \$24,000,000,000 every year, or more than two-thirds of all the greenbacks still outstanding. Shall we not cancel them if we can more than make up for them in every succeeding year, to say nothing of the frightful loss they are entailing upon the country every month, and the danger to which the Government is subjected because of them?

Let the reader estimate what the gain to the producers would be if the loans on this \$24,000,000,000 ran six months! What if they ran for the year? More than \$1,000,000,000!

#### FALSE ASSUMPTIONS SHOULD BE DISCARDED.

Is it not a mere fetish to hang on to the greenbacks, then, deceived by the hallucination that the Government can make something out of nothing, when it has been proved in this case, as in all others, that mistakes and falsehoods only lead to misfortune and disaster? If the experience of all other great commercial nations added to this fatal delusion is not convincing enough to determine our action now, we shall simply have to wait to be taught by more bitter lessons still, and more crushing disasters, what has already been demonstrated beyond the shadow of a doubt.

#### EQUALIZATION AND LOWERING OF RATES.

Under the operation of this provision of the bill there is still another object to be attained that is founded in justice and conserves the welfare of the people in all portions of our country alike. It is the equalization of the rates of interest in every section of the land, from Niagara Falls to the Gulf, from Cape Cod to the Golden Gate. Wherever there is banking capital, a demand for money, and an equally abundant supply of equally good commercial two-name, thirty, sixty, and ninety day paper, there the rates should and will be practically the same.

Rates of interest will not then be, as now, particularly low in one locality because there is considerable wealth in the form of money and securities, and particularly high in another notwithstanding there is abundant wealth in the form of cotton, corn, cattle, wheat, and the various other products of the earth simply because it awaits a better day for disposition or sale. The question will not then be so much whether it is stocks and bonds on the one hand and cotton and corn on the other as whether it is good liquid wealth in some form—cattle, hogs, corn, cotton, and wheat being regarded as good wealth, as quick assets, if only the banks have the facilities for carrying them.

#### OBJECT OF GRADUATED TAX.

It will be observed that the tax imposed upon the circulation is an increasing graduation. The object is to give it a repressive effect just in proportion as the expansion increases under the varying pressure from the crop movement to the demands of an acute and general panic.

The same principle is illustrated in the 5 per cent tax imposed upon the credit circulation of the German banks whenever it passes a certain limit.

It is also illustrated in the operations of the clearing houses of New York, where they charge 6 per cent upon clearing-house certificates, and in Boston, where they charge 7 per cent upon them, confident in all these instances that the tax will compel the retirement of the issues. So far this system has worked perfectly, the retirement of the circulation following quickly upon the disappearance of the cause.

#### UNITED STATES NATIONAL BANK NOTE REDEMPTION FUND.

SEC. 9. That all taxes so paid to the Government upon said United States Government bond notes and said United States national-bank notes shall constitute and be known as the "United States national-bank note redemption fund," and be held exclusively for the redemption, first, of the United States Government bond notes; second, for the United States national-bank notes in the event of the liquidation of any bank organized under this law; *Provided, however,* That when said "redemption fund" shall exceed 5 per cent of both the United States Government bond notes and the United States national-bank notes such excess shall belong to the United States Government and may be used by it to defray its general expenses.

For a better understanding of the above section from the standpoint of actual experience I herewith submit a tabulated statement showing the total circulation, amount of notes of failed banks for each year since the system was established, and the percentage they bear to the total circulation for each year:

Year ending October 31—	Total circulation.	Circulation of failed banks.	Per cent of the circulation of failed banks to the total circulation.
1863.....			
1864.....	\$58,813,980		
1865.....	204,635,245	\$44,000	0.02
1866.....	283,080,059	285,000	.09
1867.....	289,084,824	248,900	.25
1868.....	300,116,958	321,800	.11
1869.....	299,724,791	45,000	.03
1870.....	301,859,275	129,700	.04
1871.....	324,475,297		
1872.....	340,930,825	1,398,303	.41
1873.....	348,347,674	2,522,100	.72
1874.....	348,785,986	230,000	.07
1875.....	343,176,018	638,670	.19
1876.....	319,887,070	540,000	.17
1877.....	315,871,190	951,728	.30
1878.....	319,640,580	1,322,725	.41
1879.....	323,120,918	516,825	.15



Year ending October 31—	Total circulation.	Circulation of failed banks.	Per cent of the circulation of failed banks to the total circulation.
1880.....	\$942,048,222	\$508,143	0.15
1881.....	858,824,902	.....	.....
1882.....	880,982,713	989,400	.28
1883.....	850,759,675	108,200	.08
1884.....	832,452,944	830,120	.26
1885.....	814,872,928	486,550	.15
1886.....	800,990,606	302,960	.10
1887.....	271,051,587	388,597	.14
1888.....	229,044,822	557,811	.23
1889.....	201,744,089	56,250	.02
1890.....	179,449,958	171,450	.10
1891.....	171,978,673	641,352	.87
1892.....	172,686,921	623,153	.96
1893.....	208,701,189	1,573,634	.75
1894.....	207,140,104	628,780	.30
1895.....	213,491,147	916,682	.43
1896.....	234,437,572	761,500	.31
Average for period.....	.....	.....	.303

From this tabulated statement, showing that an average tax of one-fifth of 1 per cent on the total circulation for thirty-three years would have covered all the notes of the failed banks, we may certainly assume that the tax imposed will much more than cover the notes of failed banks in the future, and that a 5 per cent safety fund will prove more than ample to take care of any emergency that may arise. When we recall the fact that had there been no bonds to secure the national-bank notes for thirty years the note holders could not have lost to exceed \$1,189,253, of which \$958,247 was still in unclosed accounts, we may confidently believe that this provision will not only insure the notes, but will be a source of large profit to the Government.

#### CLEARING-HOUSE DISTRICTS.

SEC. 10. That the board of finance shall divide the United States into clearing-house districts, and each bank organized under this act shall belong distinctively to some one district, and the number of such district shall be plainly and prominently printed upon the said United States national-bank notes issued by the banks located therein. The several banks of each district, upon receiving United States national-bank notes belonging to any other district, shall forward the same to a bank in a clearing-house city, which shall return them to the district to which they belong.

The object of the foregoing section is to insure the constant redemption of the United States national-bank notes, to materially strengthen our banking system, and becomes essential for the following reasons:

#### OUR SYSTEM WOULD REQUIRE THEM.

First. Our individual banking system does not in itself give us the same facilities for forcing current redemption that large banks with branches in all parts of the country would, and current redemption, it must be remembered, is the essential counterpart of a credit system of currency.

#### THEY WILL DISTRIBUTE CAPITAL BETTER.

Second. This system of districts will draw the normal money—gold, silver, and United States Government bond notes—to the redemption or clearing-house centers and keep it better distributed throughout the year.

#### CURRENCY WILL ALWAYS EQUAL DEMANDS.

Third. The tendency will be to keep the credit money at home, so that it can be retired whenever the bank issuing it desires to do so, and thereby save the tax when there is no further use of the money in circulation.

#### PROFIT ON CIRCULATION WILL GO TO EACH DISTRICT.

Fourth. This system will enable every district of the United States to furnish whatever credit money it needs by sending all credit notes from other districts home and putting out its own, and thereby save all the profit on circulation in each district to the district itself.

Fifth. But the most important and far-reaching effect of this provision is the advantage and protection it gives to every bank belonging to a clearing-house district.

#### EVERY BANK SHOULD BE AS STRONG AS ALL COMBINED.

It is important to observe and remember that every bank belonging to a clearing-house district is individually as strong as the combined capital of all the banks included in the district; and it is not at all likely that there would be a clearing-house district with a capital less than \$25,000,000, and probably none less than \$50,000,000, while the large cities would be many times stronger than that even.

WITH THE STRENGTH OF CENTRALIZED BANKING WE SHALL HAVE THE ADVANTAGE OF INDIVIDUAL BANKING.

This plan would give us all the power of the most perfect centralized system of banking in the world, with all the advantages of individual banking institutions. In fact, I am of the opinion that in power and facility it would surpass any system now in

operation. While it would be perfectly independent in its parts and responsive to the demands of every locality, it would be free from the caprice and discrimination of a management hundreds and perhaps thousands of miles away.

#### IT WILL INSURE GREATER CAUTION.

It will be admitted, I think, that any bank belonging to a clearing-house district will exercise greater caution in loaning its funds, or in issuing its notes, than it would were it not a member of some district, for it must realize that it is in a measure under the surveillance of the associated banks and can not afford to fall under any suspicion on account of poor management; hence the moral effect must necessarily be to improve the character of all our banking, a matter that is always of the very greatest importance to the commercial world.

#### REDEMPTION OF NATIONAL BANK NOTES.

SEC. 11. That the said United States national-bank notes shall be a legal tender at par between all national banks, and the same shall be redeemed upon presentation at the bank of issue in gold coin, or at the option of the bank of issue 40 per cent thereof may be redeemed in United States Government bond notes.

The first provision of this section is the same as that now on the statute books with regard to our present bank notes.

The object of making these United States national-bank notes redeemable in the United States Government bond notes as well as gold is to protect the metal reserve of the bank for the first few years, until the banks can accumulate the necessary stock of gold and adjust themselves to the new conditions; and yet, since the United States Government bond notes are themselves redeemable in gold at the bank of issue, it amounts to a gold redemption.

#### FACILITIES FOR REDEMPTION OF NOTES.

SEC. 12. That each bank organized under this act and doing business outside of a clearing-house city shall select some national bank in the clearing-house city of its own district through which it shall redeem its United States national-bank notes in gold coin, or, at the option of said redemption bank, 40 per cent thereof may be redeemed in United States Government bond notes, and for said purpose shall keep on deposit with said bank a reserve of 5 per cent of the amount at any time outstanding, and said 5 per cent may be considered a part of its required reserve.

The object of this section is to insure the current redemption of bank notes by facilitating in every way their presentation for redemption, and thereby constantly testing their soundness and bringing them back to the bank of issue for retirement if they should be needed no longer in circulation.

#### BANKS WITH \$50,000 CAPITAL.

SEC. 13. First. That in cities with less than 2,000 population banks may be organized under this act with a capital of \$20,000 or any greater amount in multiples of \$5,000; but no bank shall be organized in any reserve city with a less capital than \$100,000.

Second. That under such regulations and restrictions as shall be established by the said ministers of finance, national banks organized under this act may establish branch banks by and with the consent of said ministers, such branch banks to have the right to receive deposits, make loans, grant discounts, and buy and sell exchange, but in no case to be permitted to issue circulating notes other than those of the parent bank. It shall in all respects be considered as a part of the parent bank, and in each case where such branches are maintained the ministers of finance shall receive, in the reports of the central bank, a statement, properly sworn to and attested, of the condition of its branches.

Said ministers of finance shall also have the right of separate and independent examinations, and they may, whenever they deem it necessary, require, before granting the right to any bank to maintain branches, that the paid-up capital stock of such bank be increased to an amount to be fixed by them.

#### BRANCH BANKS MAY BE DESIRABLE.

That the present minimum limit of \$50,000 capital for national banks prevents the establishment of them in many places where they are much needed, all are agreed; and whether a capital as small even as \$20,000 would serve every locality and meet all conditions there is very great doubt. Indeed, this is particularly true, as everyone knows who has studied this question from actual observation, in localities where a considerable amount of money is required for a few months every year and very little or no demand at all during the other months, a circumstance that can only be met by the establishment of a branch. Otherwise the people can never have local and convenient banking facilities at all. However, that the location of small banks and the opening of branches should be carefully investigated and great discretion exercised in granting such privileges will be apparent upon a moment's thought, for while the accommodation of the people should be a constant study, their absolute protection should never be forgotten.

#### GOVERNMENT REDEMPTION OF NOTES IN CASE OF FAILURE.

SEC. 14. First. That in the event of the liquidation of any national bank organized under this act the United States Government shall redeem, upon presentation after notice given as herein provided, any of said United States Government bond notes or said United States national-bank notes, reimbursing itself for the full amount thereof out of the assets of said bank, and distribute the remaining assets among the depositors and all others having claims in the same manner as now provided by law.

Second. That from the time of the suspension of said bank up to the date set by said ministers of finance for the redemption of said United States national-bank notes they shall bear interest at the rate of 5 per cent per annum. Such notice shall be given in some newspaper printed in the clearing-house city where said notes were cleared; but nothing herein contained shall be construed to impose any liability upon the Government of the United States, or any of its representatives, beyond the amount available from time to time out of said "United States national-bank note redemption fund."

## ADVANTAGE OF A UNIFORM SYSTEM OF CURRENCY.

One of the greatest benefits, if, indeed, not the greatest, growing out of our national banking system has been the fact that all of the notes have been equally good everywhere. The note of the bank with \$50,000 capital is as good as the note of the bank with \$5,000,000 capital; that instead of a currency issued under as many different banking laws as there were States, and having as many different values as were represented by the ever-changing credit of 10,000 banks, we have had a uniform currency good not only at home but abroad. We have learned our lesson, and our people will not be satisfied with a currency that is not uniform and equally good in all parts of the country. Therefore we want no money that will not stay away from home simply because it has no standing elsewhere and every transaction forces its holder to suffer discount. We do not want a dollar that is too poor to stay away from home and must necessarily be a constant source of loss to the holder, who invariably turns out to be a laborer if unfortunately a bill should prove to be utterly worthless. It is the duty of this Government to establish a system of currency that will protect the note holder against the possibility of a loss of the millionth part of a cent. No man living anywhere under our flag should be compelled to hesitate a moment about taking any money circulated within the confines of the Republic, which is to-day, practically speaking, owing to our railway facilities, telegraphic and telephonic communication, and intimate commercial relations, one extended neighborhood, one gigantic city reaching from the Lakes to the Gulf and extending from ocean to ocean.

Therefore we want no State-bank notes, but a national currency protected and ultimately redeemed by the Government. Such a currency section 14 guarantees to the American people.

## INSURANCE OF DEPOSITORS.

SEC. 15. First. That any bank organized under this act may at any time after 1905, with the consent of the ministers of finance, insure its depositors against loss by paying into the United States Treasury 1 per cent upon the average balance of deposits of the preceding fiscal year, and one-half of 1 per cent upon the average annual balances thereafter until the amount so paid into the United States Treasury by said bank shall amount to 5 per cent of the average balance of said bank for the last preceding year, and that said ministers of finance may then suspend said tax for the time being. If the deposits of said bank shall increase, or for any reason the amount of the insurance fund to the credit of said bank shall be less than 5 per cent of the deposits, said ministers may reimpose said tax of one-half of 1 per cent upon the deposits of said bank; and if said bank shall fail to pay such tax at any time after the payment of said 1 per cent the amount already paid by said bank shall be forfeited to the United States Government, and the insurance of said depositors shall thereupon cease.

Second. That the amounts of money so received shall constitute and be known as the "depositors' insurance fund," and each bank shall be entitled to receive interest upon the amount standing to its credit in said "depositors' insurance fund," at the rate of 3 per cent per annum, and the same shall be adjusted annually on the 30th day of June.

Third. That in the event of the suspension of payment by any bank so insured of any of its liabilities as they accrue, the United States Government shall, within sixty days thereafter, no reorganization then pending, pay the depositors of such bank in full all their just claims, if no question has been raised thereto; but nothing herein contained shall be construed to impose any liability on the Government of the United States, or any of its representatives, beyond the amount available from time to time out of said "depositors' insurance fund."

Fourth. That the United States Government shall thereupon reimburse itself out of the assets of said bank for any and all such moneys paid out on account of said deposits, less the amount standing to the credit of said bank in said "depositors' insurance fund," and the remaining assets shall be distributed among the creditors in the same manner as now provided by law.

NO CLASS OF INSURANCE IS MORE IMPORTANT, WISE, AND JUST, AND THE PEOPLE SHOULD DEMAND IT.

I am fully aware that in the outset this section will provoke some discussion and gives apparently a better field upon which those differing may array themselves than almost any other provision in the bill; but this partial admission of some possible objection is not due in the slightest degree to a want of soundness of the principle involved in this section of the measure, but simply because such a provision has never been made a part of any banking system. That it will ultimately find its way into all, I have no doubt, for there is no business of such extent as that of banking where to-day the records are so well preserved and will enable the student and statistician to arrive at a basis of insurance that will be as reliable as these; not even mortality tables upon which nearly every human life, in our own country at least, is carrying some insurance. The fire-insurance system of the world is based upon data that enables the actuary to furnish a line of premiums that gives upon large averages an almost mathematically certain result.

The principles that control in the vast operations of both life and fire insurance are identical with those upon which this provision rests. But my maturer thought impels me to the conclusion that in neither is there so much need of averaging risks and escaping the consequences of misfortune as in the proposed remedy for the crash and widespread ruin that almost invariably follows bank failures to-day. It will be observed in this connection that the provision is purely voluntary in its operation, and imposes no burden or risk upon the Government beyond those of a trustee for the fund created.

That we may be able to consider the question in a most practical

way, I have obtained from the actuary of the Treasury the following tabulated statement, which, I have no doubt, will disclose a most surprising and gratifying result to every student of those great movements that look in the direction of equalization in material things and social conditions:

Year.	Deposits-- total of all banks.	Deposits of failed banks.	Per cent of total deposits that would have paid depositors each year.
1863.	\$8,497,082		
1864.	78,070,545		
1865.	830,427,385	\$122,080	0.20
1866.	538,730,433	1,104,044	.31
1867.	637,735,716	3,337,563	.63
1868.	555,874,045	904,112	.40
1869.	550,540,172	220,880	.04
1870.	522,666,547		
1871.	504,356,347	2,493,054	.40
1872.	608,925,580	521,375	.00
1873.	615,470,770	6,703,732	1.00
1874.	643,883,078	312,296	.05
1875.	602,531,811	2,410,582	.00
1876.	620,030,525	1,427,420	.23
1877.	631,760,706	4,061,022	.77
1878.	619,807,293	2,015,140	.33
1879.	673,258,423	472,661	.07
1880.	870,814,637	778,906	.00
1881.	1,053,108,117	2,054,000	.05
1882.	1,056,871,688	3,201,880	.31
1883.	1,054,229,122	600,765	.06
1884.	1,009,749,551	6,364,862	.63
1885.	1,070,498,543	3,037,550	.29
1886.	1,151,010,302	974,551	.08
1887.	1,252,911,657	6,273,257	.50
1888.	1,307,123,561	2,400,477	.11
1889.	1,438,204,779	987,907	.07
1890.	1,508,429,459	1,068,511	.07
1891.	1,556,877,110	16,332,071	1.05
1892.	1,745,849,469	904,689	.05
1893.	1,909,731,110	14,575,565	.91
1894.	1,671,803,716	3,643,597	.22
1895.	1,703,406,071	5,672,511	.33

The average per cent for each year, from 1864 to 1895, inclusive, upon the total deposits that would have been sufficient to pay the depositors in full, had absolutely nothing been realized from the assets of the banks, was only 0.31, or less than one-third of 1 per cent per annum.

## ALL CLOSED BANKS SHOW AN AVERAGE OF 73 PER CENT RETURNS.

The lowest percentage of dividend paid to the creditors of any failed national banks whose affairs are closed was that of fourteen and a fraction, to the creditors of the Cook County National Bank, of Chicago, Ill., being No. 38 on the list of banks placed in the hands of receivers. The next lowest percentage of dividend was seventeen and a fraction, to the creditors of the Tennessee National Bank, of Memphis, constituting No. 5 on the list. The average percentage of dividends paid to creditors of insolvent national banks whose affairs are entirely closed is about 73 per cent.—Report of the Comptroller of the Currency, 1895, page 31.

## THE INSURANCE TAX COULD NOT EXCEED ONE-TWELFTH OF 1 PER CENT PER ANNUM.

Taking the experience of all insolvent national banks whose accounts have been closed, it is to be observed that the actual insurance charge upon the deposits of national banks would have been one-twelfth of 1 per cent per annum or a total of but 2½ per cent in thirty-three years. Would this not have been a most insignificant and inconsequential cost to the banks compared to the great and almost incalculable benefits it would have been to trade and commerce to have saved from failure that great army of merchants who have been brought to ruin by the failure of the banks with which they were keeping their accounts? Let us weigh a matter of such moment carefully and come to our final conclusion with the utmost deliberation, especially since the chief if indeed not the only objection is that it is a new proposition.

With all of our bank notes ultimately redeemed by the Government, as provided in the preceding sections, and the depositors of the national banks insured against loss in case of failure, it is confidently believed that bank failures would be reduced to a minimum; that money panics would be unknown; and that we would escape the most unfortunate and serious consequences growing out of bank failures, the ruin of the merchants and tradespeople.

## HOW THE TWO FUNDS SHALL BE INVESTED.

SEC. 16. That all moneys received by the United States Government on account of the tax upon United States Government bond notes and United States national bank notes, or on account of the taxes paid to insure depositors against loss, may be invested in the following classes of securities, and no others: First, United States Government bonds or United States certificates of indebtedness; second, the bonds of any State which has not defaulted in the payment of either principal or interest of any of its indebtedness for twenty years just preceding such investment; third, the bonds of any city in the United States having a population of more than 100,000, and which has not defaulted in the payment of either principle or interest of any of its indebtedness for twenty years just preceding such investment.



## REASONS FOR THE INVESTMENTS.

But for the fact that some provision that the funds accumulated in the "United States Government bond note redemption fund" and in the "depositors' insurance fund" should be invested in some kind of securities, two objections might arise: First, it might be objected that a large amount of money was being withdrawn from the channels of trade; second, that the Government should allow interest on so considerable a sum, which it would not be prudent to do unless there were some income from that source to offset such allowance.

## POWER FOR PUTTING THE ACT INTO SUCCESSFUL OPERATION.

SEC. 17. That for the purpose of carrying this act into effect and enabling the banks organized hereunder to maintain their required reserves, and for the purpose of equalizing and adjusting the relative use of gold and silver in the United States, the ministers of finance are hereby authorized and empowered to sell and dispose of any of said new 2 per cent bonds at par for gold coin, or to exchange the same for any of the legal-tender money of the United States at par; the bonds so sold or exchanged to be issued in denominations of \$25, or multiples thereof, at the option of the buyer, and to become due and payable in 1904; and the said ministers, for the same purpose (with the concurrence of the Secretary of the Treasury), are also authorized and empowered to exchange from time to time gold bullion or gold coin for silver bullion or silver coin, and silver bullion or silver coin for gold bullion or gold coin.

Every man of affairs will at once realize that it will be of the utmost importance that the ministers of finance be able, in a movement so comprehensive as this, involving as it does the complete readjustment of our finances and recombination of our currency, subject to the approval of the Secretary of the Treasury, who is responsible for the proper conduct of the income and expenditure accounts of the Government, to do anything that the purposes of this act render necessary.

## LIMIT OF LOANS TO OFFICERS AND DIRECTORS.

SEC. 18. That the loans and discounts of any bank organized under this act granted to its executive officers or employees shall in no case directly or indirectly exceed 10 per cent of the capital, and the same shall be secured by proper collateral, or by an additional signature or signatures of financially responsible persons to the notes taken, and that the same be made only upon the written approval of a majority of the board of directors and a separate record thereof kept.

SEC. 19. That no loan shall be made to a director not an executive officer of the bank except either upon a deposit of good and sufficient collateral security, or upon a note given therefor, bearing, in addition to such director's own name, the signature or signatures of one or more financially responsible persons, or unless a resolution has been passed by the board of directors and signed upon the record by at least a two-thirds majority thereof, giving to such director a line of credit covering any advances to be made to him.

## PENALTY ATTACHING TO ANY OFFICER OR EMPLOYEE.

SEC. 20. That any president, vice-president, cashier, assistant cashier, or employee of any bank organized under this act who shall be convicted of unlawfully borrowing or using any of the funds of the bank with which they are connected shall be imprisoned for ten years, and any officer of any such national bank at the time of its failure shall be ineligible to any official position in any national bank thereafter.

## BANKS MUST NOT PROMOTE.

SEC. 21. That it shall be unlawful for any national bank to engage in the promotion of any enterprise, or to loan the funds of the bank upon the bonds or securities of incomplete and partially developed projects of any kind, such as partially constructed railroads, street-car lines, electric-light, gas, water, mining, manufacturing, or irrigation plants.

## DIRECTORS MUST EXAMINE THEIR BANKS.

SEC. 22. That upon a day in each year, to be designated by said ministers of finance, the directors of the national banks shall be, and are hereby, required to make an examination of the affairs of the bank with which they are connected and submit their report thereon upon blanks furnished by said ministers, and said report shall be signed by at least three-fourths of said directors.

The following extract from the report of the Comptroller fully justifies the greater care these sections impose upon the directors and the stricter rules they establish for the officers in the conduct of a national bank:

## CAUSES OF FAILURE OF NATIONAL BANKS AND DUTY OF DIRECTORS.

A careful examination has been made into the causes of failures of national banks and the number failing from each cause, from 1860 to 1890, with the following result:

Three have resulted from defalcation of officers; 23 from defalcation of officers and fraudulent management; 1 from defalcation of officers and excessive loans to others; 3 from defalcation of officers and depreciation of securities; 19 from excessive loans to others, injudicious banking, and depreciation of securities; 18 from excessive loans to officers and directors and depreciation of securities; 6 from excessive loans to officers and directors and investment in real estate and mortgages; 3 from excessive loans to others and depreciation of securities; 4 from excessive loans to others and investments in real estate and mortgages; 1 from excessive loans and failure of large debtors; 8 from fraudulent management; 15 from fraudulent management, excessive loans to officers and directors, and depreciation of securities; 12 from fraudulent management and injudicious banking; 8 from fraudulent management, defalcation of officers, and depreciation of securities; 5 from fraudulent management, injudicious banking, investments in real estate and mortgages, and depreciation of securities; 9 from fraudulent management, excessive loans to officers and directors, and excessive loans to others; 19 from injudicious banking; 54 from injudicious banking and depreciation of securities; 12 from injudicious banking and failure of large debtors; 12 from investments in real estate and mortgages and depreciation of securities; 43 from general stringency of the money market, shrinkage in values, and imprudent methods of banking, and 8 were wrecked by the cashiers.

The inevitable conclusion to be drawn from a study of the causes resulting in these failures is that in the great majority of instances those directly responsible for the management of the banks involved, both directors and executive officers, have been negligent of their duties and wanting in insisting upon the employment of methods of ordinary safety and prudence. It follows that every bank failure has caused more or less loss to creditors and

shareholders, and subjected those connected with these institutions to criticism. The relation which the Comptroller's office bears to the banks and its method of examinations have been so much a matter of public discussion that it seems wise at this time to call the attention of both Congress and the public to these relations, and the duties which it is believed rest directly upon and should be discharged by those whose oaths make it obligatory on them to conserve the interests of the bank.

The duties resting upon directors are not in contemplation of law merely formal ones to be met in a formal manner only. It is expected that they shall be thoroughly conversant, both in general and in detail, with the manner of the conduct of institutions with which connected and the methods employed. Bank directors should know whether the best bookkeeping methods are used in their banks, whether precautionary measures in the verifying of entries upon ledgers and pass books are taken, and whether employees, from president to bookkeeper, are engaged in speculative enterprises and employing the bank's funds, thus endangering the safety of those trusting the bank. The character of the internal management necessarily makes the institution a safe or an unsafe one.—Report of the Comptroller, 1890, pages 31-32.

## POWER OF ASSISTANT CASHIER.

SEC. 23. That the assistant cashier, in the absence of the cashier, or on account of his inability, shall be, and he is hereby, authorized to sign the circulating notes of the bank, and sign and make oath or affirmation to the reports called for by said ministers of finance showing the condition of the bank with which he is connected, and such oath or affirmation and all others required of bank officers may be administered by any notary public or commissioner of deeds.

At present the law limits the authority which this section gives to the assistant cashier, to the cashier, which very greatly interferes with the proper conduct of the business of many banks in cases of absence or sickness of the cashier, and therefore this provision simply facilitates the performance of the duties of the cashier.

## GOVERNMENT CHARTERS FOR CLEARING HOUSES.

SEC. 24. That the clearing houses of the respective districts shall act under charters granted by the United States Government, running for fifty years and authorizing them to effect clearances between banks and to do other business for and between banks, in accordance with such rules and regulations as may be prescribed by said ministers of finance from time to time.

The above section states so clearly its object that when the importance of convenient places for the clearance of exchanges and the current redemption of the note issues is considered in conjunction with the general purpose of this bill, no one will doubt the wisdom and necessity even of granting national charters to the clearing houses as well as to the banks, as they are an important and essential adjunct in completing a sound currency system.

## POWER OF THE SECRETARY OF THE TREASURY TO MEET ANY DEFICIENCY.

SEC. 25. That to provide for any temporary deficiency now existing in the Treasury of the United States, or which may hereafter occur, the Secretary of the Treasury is hereby authorized, at his discretion, to issue certificates of indebtedness of the United States, payable in from one to five years after their date, to the bearer, in gold coin, of the denomination of \$5, or multiples thereof, with annual coupons for interest at a rate of interest not to exceed 3 per cent per annum, and to sell and dispose of the same for not less than an equal amount of gold coin at the Treasury Department and at the subtreasuries and designated depositories of the United States, and at such post-offices as he may select. And such certificates shall have the like qualities, privileges, and exemptions provided in the resumption act (approved January 14, 1875, entitled "An act to provide for the resumption of specie payments") for the bonds therein authorized. And the proceeds thereof shall be used for the purpose prescribed in this section, and for no other.

SEC. 26. That all acts or parts of acts inconsistent with the foregoing shall be, and the same are hereby, repealed.

That the United States Government should have power to meet any emergency that may arise on account of its lack of revenue, no man of business sense will deny. Nor can it be assumed that this Government, any more than a private business, will always have a surplus revenue even with a change in our tariff laws. A large surplus is not now necessary; therefore, should we succeed in adjusting our income to our expenses the coming year, changed conditions might shortly bring about a deficit, which could only be provided for in two ways during that current year:

First. Close the courts and other departments of the Government.

Second. Temporarily provide the means for carrying them on by the sale of certificates of indebtedness under the authority given by this provision, to which every reasonable man of patriotic and practical instincts and business experience who is not controlled by partisan prejudice nor hope of temporary political advantage will give his hearty approval and unqualified support.

Having now discussed in detail the various provisions of the proposed measure, I desire to call attention to certain matters that invariably present themselves in any intelligent discussion of this all-important subject.

## THE PLAN ADOPTED MUST BE CLEAR EVEN TO THE LAYMAN.

First. It would be useless to waste time even in discussing any measure, to say nothing of passing it, unless upon examination it could be readily understood and from the advantages it offered would at once attract practically all of the bank capital in the country, so that we would have a uniform system; therefore it becomes pertinent to inquire whether banks would immediately organize under this act should it become a law.

IT MUST BE SUCH AS TO AT ONCE ATTRACT THE BANKING CAPITAL OF THE COUNTRY.

In the first place, they would do so because of the protection and moral support the clearing houses provided for would give at all

times, and more particularly when any stress was thrown upon the banking interests of the country.

In the second place, they would regard it quite a sufficient advantage of itself, in a great majority of cases, if no other was gained, to be able to issue their own note circulation, and thereby accommodate all their customers, who are entitled to credit, at a cost to themselves of only 1 or 2 per cent and without the least trouble, when at present they can only partially do so, even at a cost of 6 or 7 per cent, and with great trouble and annoyance to themselves and a corresponding expense to the customers of the bank, if, perchance, they can accommodate them at all.

In the third place, that while the people of the United States will save annually in interest on the national debt about \$12,000,000 and an incalculable amount of interest on their loans, particularly in a section where the rates are now very high, the banks would realize a net gain upon the circulation taken out upon the 2 per cent bonds of 1½ per cent and a greater profit upon their own circulation than upon the money hired from their correspondents hundreds of miles away.

In the fourth place, this act would individualize the bank and give it much greater freedom, simplify its methods, and greatly economize its management, which would result in a corresponding and mutual gain to both the bank and borrower.

Indeed, the sooner the American people learn to transfer all taxes from the money engaged in banking to other forms of wealth which they can not use, the cheaper will they make the tools with which commerce is carried on and the shops kept in motion. The earning capacity of labor will be just that much greater, for in the last analysis money is the real tool that fells the trees out of which we build our houses and make our furniture, mines the coal, digs the ore, spins the wool, weaves the cotton, makes our garments, and prepares our food, and should be made as cheap as possible, so that labor can continue to get a greater and greater share of its profits until a perfect adjustment of labor and capital is reached.

#### NOTE HOLDERS SHOULD HAVE A PRIOR LIEN ON ASSETS.

Second. A question may be raised with regard to the relative rights of the note holder and the depositor. But that the note holder should have a prior lien upon the assets of the bank in accordance with our present law is essential, as the notes leave the immediate neighborhood of the bank issuing them. The fact of their being a prior lien upon the assets of the bank justifies their passing current, because the people know they are safe by experience. Again, the note holder seldom knows the officers of a bank as the depositor does who keeps his account with some particular bank because of his acquaintance with the management. Then the depositors of banks are almost invariably the borrowers of the bank and the very persons who first get the notes. It is therefore of the highest importance that the notes be as good as possible in order that one may borrow money at the lowest rate of interest possible, and the notes remain out until he is ready to pay off his loan, for the better the notes the longer will they remain out and circulate; indeed, if they remain unquestioned, the tendency would be to continue to circulate until called in by the bank issuing them.

#### PRACTICALLY HE OBTAINS IT ANYWAY.

It may be suggested by some that the notes should not be a prior lien upon the assets of the bank, because that gives to the note holder an advantage over the depositor; but the reasons already given justify the principle. However, there is still another reason that forecloses all discussion upon the question as a matter of actual practice, and that is this: It will be admitted that a bank will not issue any of its bank notes unless its customers need the money. Now, it is certain that if a bank can not issue its notes it will bundle up a good margin of securities and send them to its correspondent in some distant city and get the necessary amount of currency, giving the correspondent bank a first lien upon all the securities turned over; so it will make no difference in the last analysis whether it issues its notes or borrows the money. The currency used will be a first lien upon a sufficient amount of the bank's assets to insure its redemption. The position of the depositor is the same in both cases. The criticism arises from a mere sentiment, and will always be without any foundation in practice. But, as a matter of advantage to the borrowers of a bank, who are almost invariably the depositors, in commercial banks at least, and as a matter of justice, considering the difference in the relation of the note holder and depositor to the bank, the note should be a prior lien upon the assets. Again, all national-bank notes are a prior lien upon the assets of the bank; therefore this provision is strictly in accord with our existing law.

#### BANKS CAN MAINTAIN GOLD PAYMENTS BETTER THAN THE GOVERNMENT.

Third. It is sometimes urged that the Government of the United States can better maintain gold payments than the banks; but when it is said that it ought to because of its greater credit, the argument is exhausted, since all the facts and experience are the other way. Indeed, the Government, if it maintains redemption in gold payments, can only do so through the assistance of the

banks, as has been most strikingly illustrated through the use of the banks in the gold purchases during the past three years. Therefore it goes without saying that the banks, which are the sole agency through which the Government procures its gold, can certainly do for themselves what they can do for the Government. And the reason is this: The banks have the ways and means or machinery for obtaining the gold if they want it or must have it, while the Government can only obtain gold through the banks by the sale of bonds, which must be paid for by taxing the people.

#### THE GOVERNMENT HAS NO NATURAL FACILITIES FOR MAINTAINING GOLD PAYMENTS.

The Government has no inflowing stream of wealth measured in gold with which to meet its demand obligations; hence its great difficulties and constant danger. By the great increase of its demand obligations, which jumped up from \$346,000,000 in 1879 to \$1,000,000,000 in 1892, with no corresponding increase in its reserve, it strained its credit to an extent that gave rise to doubt as to its ability to maintain gold payments. The persistent effort on the part of some to construe the doubtful word "coin" into silver or a fifty-cent redemption, as well as gold, has thrown a cloud upon our intention, challenged our honor, disturbed public confidence, checked enterprises, and rendered any substantial and permanent prosperity and progress doubtful until our measure of value is definitely and irrevocably settled. This is one of the chief and under the present conditions a fatal objection to Government redemption, and to-day threatens every pending contract and will prevent a vast amount of new ones, especially those running for a long period of time.

#### BANKS IN OTHER COUNTRIES HAVE NO DIFFICULTY IN MAINTAINING GOLD PAYMENTS.

The banks of Scotland, Ireland, England, Germany, France, and Canada have found no such serious difficulty in maintaining gold payments as the United States, nor did the Suffolk system. And this has been done in most instances with a very much smaller reserve than that provided for in this measure. Why is this? Just because every note, draft, or bill of exchange signed by two or more makers or indorsers is payable in gold or its equivalent on demand or in thirty, sixty, or ninety days, giving everyone absolute confidence, and no one ever asks for gold unless it is needed for some special purpose.

How would it be with our own banks? Let us suppose that banks having capital equal to our national banks should organize under this law and the act were in force. What would the condition be? What the result? There would be \$600,000,000 of gold in the United States, about \$600,000,000 of silver, and \$435,194,402 of United States Government bond notes, with such an increase in note circulation from time to time as the seasons or emergency might require, amounting to a maximum of \$650,014,895, making a total circulation of \$2,321,209,297.

#### OUR PRESENT GOLD SUPPLY SUFFICIENT TO MAINTAIN GOLD PAYMENTS.

At a glance it will be observed that \$600,000,000 of gold would amount to nearly 40 per cent of all the rest of the money in the country and therefore would constitute a redemption fund far in excess of any requirement experience has demonstrated necessary. Now add, if you please, the total deposits of the national banks, amounting to \$1,597,891,058, making a total of \$3,233,100,355, and you still have a gold reserve of about 20 per cent. Add to this, if you will, the total deposits of all other banks—private, State, and savings—and loan and trust companies, amounting to \$3,276,710,910, making a grand total of money (including both silver and currency) and deposits of \$6,559,811,265, and we would still have a reserve of 10 per cent, or an amount greater than that maintained in Great Britain, where it runs from 6 to 10 per cent. But should the banks think that more gold is necessary, could they not obtain it far more easily now than we did from 1878 to 1888, when we accumulated \$500,000,000, nearly as much as we have to-day? It has been ascertained by experience that we have quite enough for our commercial needs; and we accumulated this vast sum, too, when Germany and France and other nations were adding rapidly to their stores of gold. If one-half of the product of 1896, or \$107,000,000, or all of it, \$214,000,000, should be wanted more for monetary purposes than in the arts, it would be converted into money. Gold, like silver, wheat, corn, cattle, hogs, cotton, wool, iron, and labor, is nothing but a commodity which can be obtained by anyone who wants it in the markets of the world, and there is no class of merchants so well equipped for procuring it as the banks of the country, whose special business it is to provide safe methods for carrying on the commerce of the world.

#### TOTAL RESOURCES OF THE BANKS.

In conclusion, it should be observed that the banks of the United States have total resources with which to meet their deposits and procure gold with which to maintain the redemption of their notes amounting to \$7,463,810,269 in gold value, which would certainly prove a source of sufficient confidence to the people, and, united with our present facilities for transacting business through the means of checks and drafts, would reduce the requirement of gold



for redemption purposes below any point yet reached in the history of banking; but the possibility of repudiation through a depreciated dollar must be eliminated at once and the suggestion spurned by every man who desires permanent prosperity.

This doubt eliminated and our standard of measure once permanently established, we can confidently expect millions upon millions of capital to pour into every avenue of profitable production. Supplement these forces with a credit currency responsive to the demands of trade at rates of interest for commercial money as low as the lowest in the world, and we shall receive the highest possible exchangeable value for all forms of the products of labor, and the banks of the United States acting under one system will maintain gold redemption with greater ease than any other country on the globe.

Apart from detail and matters of administration, three objects which I regard as fundamental and essential to a complete and sound financial and currency system have been sought in drafting this measure:

#### FIXED STANDARD IMPORTANT TO PERMANENT PROSPERITY.

First. I realize that to secure the most permanent prosperity and the highest returns for the labor of our 20,000,000 toilers, we must have a standard of value that is unequivocal, unchanging, and universal throughout the commercial world.

#### DEMAND OBLIGATIONS MUST BE RETIRED.

Second. That if we would obviate a very great and constant expense to our people and infinite danger to our Government in meeting its demand obligations they must be retired and canceled.

#### A CREDIT CURRENCY MUST BE OBTAINED.

Third. That if we desire to lower and equalize the rate of interest throughout the United States, to secure justice in all sections, to provide money to move our crops and manufactures at the least possible expense, to insure our farmers, tradespeople, and commerce against money panics, we must have a responsive and elastic currency.

To point out exactly why the free coinage of silver would not assist in the slightest degree in accomplishing any one of these essential things may not be out of place here, as it is evident that many of our people have been led to believe that whatever our ills the free coinage of silver would cure them all, when, in fact, it would only aggravate them and add others still more serious.

For your convenience I submit the following table, taken from the report of the Director of the Mint for 1896, page 50:

Estimated stock of gold and silver in the United States and the amount per capita at the close of each fiscal year from 1873 to 1896, inclusive.

Fiscal year ending June 30—	Population.	Total coin and bullion.		Per capita.		
		Gold.	Silver.	Gold.	Silver.	Total metallic.
1873	41,677,000	\$135,000,000	\$6,140,305	\$3.23	\$0.15	\$3.38
1874	42,796,000	147,370,493	10,355,478	3.44	.24	3.68
1875	43,951,000	121,134,906	19,367,995	2.75	.44	3.19
1876	45,137,000	130,056,907	36,415,993	2.88	.81	3.69
1877	46,353,000	167,501,472	56,464,427	3.61	1.21	4.82
1878	47,598,000	213,199,977	88,047,907	4.47	1.85	6.32
1879	48,898,000	245,741,837	117,526,341	5.02	2.40	7.42
1880	50,155,733	351,841,506	148,522,678	7.01	2.96	9.97
1881	51,316,000	478,434,538	175,394,144	9.33	3.41	12.73
1882	52,495,000	506,737,715	208,217,124	9.65	3.87	13.52
1883	53,693,000	542,732,063	235,007,965	10.10	4.34	14.44
1884	54,911,000	585,500,797	255,568,142	9.93	4.65	14.58
1885	56,148,000	638,007,036	285,478,738	10.48	5.05	15.53
1886	57,404,000	690,774,461	313,235,844	10.29	5.44	15.73
1887	58,680,000	654,320,335	362,983,566	11.15	6.00	17.15
1888	60,974,000	705,848,855	386,611,108	11.76	6.44	18.20
1889	61,289,000	690,053,505	430,548,929	11.09	6.86	17.95
1890	62,622,250	605,568,029	463,211,919	11.10	7.39	18.49
1891	63,975,000	646,582,852	522,277,740	10.10	8.16	18.26
1892	65,520,000	664,275,335	570,313,544	10.15	8.70	18.85
1893	66,946,000	587,007,085	615,861,484	8.93	9.20	18.13
1894	68,307,000	627,293,201	624,347,757	9.18	9.13	18.31
1895	69,873,000	626,229,825	625,854,949	9.10	8.97	18.07
1896	71,300,000	590,597,934	608,728,071	8.40	8.81	17.21

#### TAMPERING WITH THE STANDARD.

It will be observed that since 1888, the year both parties began to tamper with our standard of value and talk of bimetalism, we have been losing our gold. During the nine preceding years we gained \$100,077,048, and in the same ratio should now have \$1,165,885,933 instead of \$599,599,964, the amount we hold to-day, the balance having been crowded out by the poorer, cheaper, less valuable metal on account of the doubt raised as to whether we were really a gold-standard country or not.

With this table before us, the following observations seem justified:

#### THE WORD DEMONETIZED.

First. That if the definition of the word "demonetize" is to be taken from Webster, "to deprive of value, or to withdraw from use as currency," the United States has not demonetized silver,

which has to-day full legal-tender quality and has not been withdrawn from use, but increased from \$6,140,305 in 1873 to \$628,728,071 in 1896.

#### FREE COINAGE HAS NOT INCREASED OUR GOLD AS RAPIDLY AS LIMITED COINAGE HAS SILVER.

Second. That the free coinage of gold has increased our stock of gold only \$464,597,964, or from \$135,000,000 to \$599,597,964, while our acts for the limited purchase of silver have increased our stock of it \$622,579,766, or \$150,000,000 more than free coinage of gold increased our stock of that metal.

#### FREE COINAGE DOES NOT BRING ANY METAL TO THE MINT NECESSARILY.

Third. That the free coinage of any metal does not, therefore, necessarily bring any of that metal to the mint, for if it did, all the gold in the United States in the form of bars would have gone there at once and been coined, but, as a matter of fact, for some purposes it is preferred in the form of bars.

Fourth. That if two metals at given quantities, one quantity being worth just one-half of the value of the other, as silver and gold would be at 16 to 1, there would not remain a single reason why the more valuable metal should go to the mint at all; hence, silver alone would go.

Fifth. But we are told that the fact that they both could go there would make them and keep them at the same value.

#### FREE COINAGE NEVER HAS RAISED THE PRICE OF ANY METAL.

(a) From 1793 to 1834 the free coinage of silver and gold at the ratio of 15 to 1 did not increase the value of silver one-half of 1 per cent, and all of the gold left the country and our standard was silver; and from 1834 to 1853 the free coinage of gold and silver at the ratio of 16 to 1 did not raise gold one-half of 1 per cent, and all of our silver left the country and our standard became gold and has been gold ever since. Can it be that any sane man believes that free coinage, then, would raise the value of silver 100 per cent, or actually double its value? Japan did not think so when she established the ratio of 32 to 1.

(b) If they were both to be free coined, the only rational course would be to make the coinage ratio and commercial ratio coincide—that is, about 32 to 1—as Japan did.

(c) However, if the ratio should afterwards diverge to the extent of one-half of 1 cent an ounce, owing to our present facilities for transportation and exchange, the metal worth the most would at once cease to circulate as money, and one-third at least of all the money we now have would disappear. For no man would pay \$1.01 for anything he could obtain for \$1, and every debtor would hide his dishonesty behind the law that made it possible for him to defraud his creditors. The result would be that those pieces of metal which were the most valuable would not circulate at all; so that at no time would we have the use of both metals circulating together, as we have them to-day.

#### WITH THE FREE COINAGE OF TWO METALS THEY WILL NOT CIRCULATE CONCURRENTLY.

(d) That the two metals would remain at any given ratio in value, which is essential to secure concurrent circulation under free coinage, no one believes, not even the free-coinage bimetalist, who now admits that it would be only an alternating use of the two metals; for this has never been true of any two commodities at any time, anywhere, in the history of the world, and to make it possible now, we must assume that the commercial and coinage ratios coincide exactly, say at 32 to 1; that the production of the two metals will then continue at exactly 32 to 1; that the cost of the production will remain exactly equal in the ratio of 32 to 1; that the demand in the arts and finance will be exactly 32 to 1—conditions which are unnatural, improbable, impossible, preposterous!

(e) That if the ratio of coinage were at 16 to 1 regardless of the commercial value, which is 32 to 1, not a single dollar of gold would circulate.

#### THE FREE COINAGE OF SILVER AT OUR PRESENT RATIO WOULD DESTROY TWO-THIRDS OF OUR MONEY.

(f) The effect, therefore, of free coinage at the ratio of 16 to 1, or any other ratio up to an exact commercial ratio, would be to drive all of our gold—now about \$600,000,000, or one-third of all of our money—out of circulation, reduce our \$600,000,000 of silver to one-half its present money value—for it is now maintained at a parity with gold—or to \$300,000,000, and bring our \$580,000,000 of paper to a silver basis, or equal to only \$290,000,000. So that instead of securing more money from free coinage we would have but \$590,000,000, all told, instead of the amount we now have—\$1,780,000,000.

(g) When once upon a silver basis there would be no inducement whatever to take silver bullion to the mint for coinage, any more than there is gold to-day, a truth that is verified by the fact that the free coinage of silver has never given to any country a large per capita circulation. When the silver dollar is worth no more than the bullion it contains, there would be no inducement for the bullion owner to pay the expense of transportation and take the trouble of getting his silver bullion to the mint, for he

could sell it in the open market for the same price the Government would allow him for it. Therefore we have a right to conclude that free coinage would do just the reverse of what its advocates claim for it—reduce, and not increase, the amount of money we now have.

#### WE SHOULD HAVE THE STANDARD OF THE CIVILIZED WORLD.

(h) The silver standard would vary every hour of the day as silver rose and fell in the markets of the world, for all business in the last analysis would have to be adjusted upon a gold basis, and the producers of the country would be ground out of all of their profits by the middlemen under the reasonable pretense that silver might fall before they could in their turn dispose of the products.

(i) Nothing is more essential to an even and permanent prosperity than an unvarying and unequivocal standard; but the free-silver advocates hope for nothing but an alternating standard, which would be the greatest possible curse to our commerce and the utter and eternal ruin of all our farmers and mechanics, reducing them in this country, as it has in all others, to a life of poverty and peonage.

#### FREE COINAGE WILL NOT RETIRE OUR DEMAND OBLIGATIONS.

(j) The most expensive and most dangerous form of money for a nation to maintain is its own demand notes; but there is no pre-

tense that the free coinage of silver will relieve us from this difficulty and enable us to retire them.

#### FREE COINAGE MEANS HIGH RATES OF INTEREST.

(k) The most important aid to every producer is a low rate of interest and a system of currency that always responds to the requirements of his business, but no one claims that free coinage would give us lower rates of interest, but, on the contrary, much higher; nor is it claimed that it would give us a currency that would respond to and reflect the local conditions of trade in all parts of the country at every season of the year.

A full understanding of our difficulties and a clear comprehension of our needs, therefore, does not lead us to conclude that the free coinage of silver would relieve us in the slightest degree from any one of our difficulties, but add another disturbing element to our already complicated problem, bring us universal disaster and a commercial revolution that would subject our producers to the schemes and machinations of the middlemen and speculators.

For the purpose of bringing to your notice certain great truths now established by all experience, and which we must recognize if we would be wise in dealing with this most important subject and prove ourselves true patriots rather than show ourselves blind and slavish partisans, I reprint from the report of the Director of the Mint for 1896 the following tabulated statement found on pages 46 and 47:

Monetary systems and approximate stocks of money in the aggregate and per capita in the principal countries of the world.

Country.	Monetary system.	Ratio between gold and full legal tender silver.	Ratio between gold and limited tender silver.	Population.	Stock of gold.	Stock of silver.			Uncovered paper.	Per capita.			
						Full tender.	Limited tender.	Total.		Gold.	Silver.	Paper.	Total.
United States <sup>a</sup>	Gold and silver.	1 to 15.98	1 to 14.95	71,900,000	\$872,200,000	\$555,000,000	\$75,800,000	\$631,400,000	\$424,400,000	\$9.35	\$8.78	\$5.90	\$24.03
United Kingdom	Gold	1 to 15.98	1 to 14.28	39,300,000	c 584,000,000	c 121,700,000	c 121,700,000	c 121,700,000	c 111,800,000	14.80	8.10	2.84	25.80
France	Gold and silver.	1 to 15½	1 to 14.28	38,400,000	c 772,000,000	c 434,300,000	c 57,900,000	492,200,000	c 98,000,000	20.10	12.82	2.55	35.47
Germany	Gold	1 to 15.98	1 to 13.957	52,300,000	b 675,000,000	b 92,000,000	b 115,000,000	207,000,000	c 126,100,000	12.91	3.90	2.41	19.23
Belgium	Gold and silver.	1 to 15½	1 to 14.28	6,300,000	b 50,000,000	b 50,000,000	b 7,000,000	57,000,000	c 72,500,000	7.93	9.05	11.51	28.49
Italy	do	1 to 15½	1 to 14.28	30,900,000	c 100,400,000	c 12,500,000	c 26,500,000	39,000,000	c 168,500,000	3.25	1.28	5.45	9.98
Switzerland	do	1 to 15½	1 to 14.28	3,000,000	c 16,000,000	c 2,100,000	c 2,100,000	2,100,000	c 14,800,000	5.39	.70	4.77	10.86
Greece	do	1 to 15½	1 to 14.28	2,200,000	b 500,000	b 500,000	b 1,000,000	1,500,000	c 14,200,000	.29	.68	6.45	7.30
Spain	do	1 to 15½	1 to 14.28	18,000,000	c 38,600,000	c 49,300,000	c 103,000,000	49,300,000	c 103,000,000	2.14	2.74	5.72	10.60
Portugal	Gold	1 to 15.98	1 to 14.08	5,100,000	c 5,100,000	c 7,400,000	c 7,400,000	7,400,000	c 59,700,000	1.00	1.45	11.71	14.16
Roumania	Gold and silver.	1 to 15.98	1 to 14.08	5,400,000	c 38,600,000	c 10,600,000	c 10,600,000	10,600,000	c 11,800,000	7.15	1.96	2.19	11.30
Servia	do	1 to 15.98	1 to 14.08	2,300,000	c 1,500,000	c 1,700,000	c 1,700,000	1,700,000	c 3,000,000	.65	.74	1.30	2.69
Austria-Hungary	Gold	1 to 15.98	1 to 13.69	44,500,000	c 167,200,000	c 35,000,000	c 40,000,000	65,000,000	c 204,500,000	3.76	1.46	4.59	9.81
Netherlands	Gold and silver.	1 to 15½	1 to 15	4,800,000	c 28,800,000	c 52,900,000	c 3,300,000	56,200,000	c 32,500,000	5.58	11.71	6.77	24.06
Norway	Gold	1 to 15.98	1 to 14.28	2,000,000	c 7,500,000	c 2,000,000	c 2,000,000	2,000,000	c 3,800,000	3.75	1.00	1.90	6.65
Sweden	do	1 to 15.98	1 to 14.28	4,800,000	c 8,500,000	c 4,900,000	c 4,900,000	4,900,000	c 4,000,000	1.77	1.02	2.70	5.49
Denmark	do	1 to 15.98	1 to 14.28	2,300,000	c 16,500,000	c 5,400,000	c 5,400,000	5,400,000	c 4,600,000	7.17	2.35	2.00	11.52
Russia <sup>f</sup>	Silver	1 to 15½	1 to 12.90	120,000,000	c 488,000,000	c 3,500,000	c 40,000,000	43,500,000	c 407,200,000	3.88	.85	3.70	7.93
Turkey	Gold and silver.	1 to 15½	1 to 15½	22,000,000	b 50,000,000	b 30,000,000	d 10,000,000	40,000,000	c 200,000,000	2.27	1.82	.....	4.09
Australasia	Gold	1 to 15.98	1 to 14.28	4,900,000	b 130,000,000	b 7,000,000	b 7,000,000	7,000,000	.....	26.53	1.43	.....	27.96
Egypt	do	1 to 15.98	1 to 15.68	7,000,000	d 129,300,000	d 5,200,000	d 5,200,000	5,200,000	.....	18.47	.74	.....	19.21
Mexico	Silver	1 to 16½	1 to 16½	12,600,000	b 5,000,000	c 97,000,000	c 97,000,000	97,000,000	c 4,000,000	.39	7.70	.32	8.41
Central American States	do	1 to 15½	1 to 15½	5,000,000	b 500,000	c 12,000,000	c 12,000,000	12,000,000	c 8,000,000	.09	2.14	1.43	3.66
South American States	do	1 to 15½	1 to 15½	38,000,000	b 40,000,000	c 35,000,000	c 35,000,000	35,000,000	b 550,000,000	1.11	.97	15.28	17.36
Japan <sup>f</sup>	Gold and silver.	1 to 16.18	1 to 16.18	44,000,000	c 79,500,000	c 69,200,000	c 18,500,000	87,700,000	.....	1.81	1.39	.....	3.20
India	do	1 to 15	1 to 15	295,000,000	.....	a 950,000,000	.....	950,000,000	c 37,000,000	.....	8.21	.12	8.33
China	Silver	1 to 15	1 to 15	350,000,000	.....	b 750,000,000	.....	750,000,000	.....	.....	2.08	.....	2.08
Straits Settlements	do	1 to 15	1 to 15	23,000,000	c 240,000,000	d 240,000,000	d 2,000,000	242,000,000	.....	.....	63.68	.....	63.68
Canada	Gold	1 to 15.98	1 to 14.28	5,800,000	c 16,000,000	c 5,000,000	c 1,000,000	6,000,000	c 35,000,000	2.76	1.06	6.60	9.82
Cuba	Gold and silver.	1 to 15½	1 to 15½	1,900,000	b 15,000,000	b 1,500,000	.....	1,500,000	.....	8.39	.89	.....	9.16
Haiti	do	1 to 15½	1 to 15½	1,000,000	c 4,000,000	c 3,000,000	b 1,500,000	4,500,000	c 4,100,000	4.00	4.50	4.10	12.60
Bulgaria	do	1 to 15½	1 to 14.28	3,300,000	b 800,000	b 3,400,000	b 3,400,000	6,800,000	.....	.24	2.03	.....	2.27
Siam	Silver	1 to 15.98	1 to 14.28	5,000,000	c 600,000	c 103,300,000	.....	103,300,000	.....	12	26.66	.....	38.78
Hawaii	Gold and silver.	1 to 15.98	1 to 14.95	100,000	c 4,000,000	c 1,000,000	.....	1,000,000	.....	40.00	10.00	.....	50.00
Total					4,143,700,000	2,618,700,000	620,200,000	4,230,000,000	2,558,000,000				

<sup>a</sup> November 1, 1896; all other countries January 1, 1896.

<sup>b</sup> Estimate, Bureau of the Mint.

<sup>c</sup> Information furnished through United States representatives.

<sup>d</sup> Haupt.

<sup>e</sup> Except Venezuela and Chile.

<sup>f</sup> Actually the silver standard, but has since January 1, 1897, adopted gold standard.

<sup>g</sup> Includes Aden and Perim, Ceylon, Hongkong, Labuan, and Straits Settlements.

<sup>h</sup> F. C. Harrison.

<sup>i</sup> Indian currency committee report.

<sup>j</sup> By imperial decree has adopted the gold standard since January 1, 1897.

From a careful study of this table everyone must be driven to admit the following facts, which will dispose of a vast amount of misinformation and a myriad of misstatements now floating about the country:

#### LOCAL CONDITIONS AND ECONOMIC LAWS WILL DETERMINE THE PER CAPITA CIRCULATION.

First. That if any country fixes by law what kind of money it shall have, local conditions under the operation of economic laws will determine what the amount per capita will be.

By referring to the following gold-standard countries it will be observed that there is a great divergence in the per capita circulation. Hawaii, which mines neither gold nor silver nor has any

mint of its own, has \$40 per capita in American gold coins, the highest of all the nations. Then follow in their order Australasia, France, Egypt, England, Germany, United States, Denmark, Norway, Canada, and so on down to Sweden, with only \$1.77.

But a much greater divergence will be found in the silver-standard countries by referring to the Straits Settlements, which have \$63.38 per capita, the highest, and in their order Siam, Mexico, Central American States, China, South American States, down to Russia, which has the lowest, or only 35 cents per capita. It will be noticed that with the exception of the first two, the gold-standard countries use more silver than the silver-standard countries themselves use, which is additional proof that local



conditions and economic laws, and not the free coinage of metals, determine the amount of the metal used.

#### GOLD WILL BE OBTAINED.

Second. If any country unequivocally selects gold as its standard it will obtain all of that metal it requires, as evidenced by the fact that nearly all the gold reserves have been acquired during the past twenty years, the leading nations having increased their holdings from \$1,200,000,000 in 1873 to \$4,143,000,000 in 1896.

#### THE SELECTION OF GOLD AS A STANDARD IS THE RESULT OF EVOLUTION.

The gradual adoption of the gold standard during the past quarter of a century by all the civilized nations of the world has been as distinctly the result of evolution as the adoption of steam in the place of the patient sail or the faithful horse, and more recently the subtle power of electricity in the place of steam; the use of the telegraph for the more sluggish mail; the telephone for the telegraph and the messenger boys. In commerce the end sought is to bring the producer and consumer together at the least possible expense or loss. Freight rates have been driven to the lowest possible point; the middlemen must be eliminated everywhere; the insurance against accidents must be made a nominal sum; doubts must be banished; speculation must be reduced to a minimum; exchange, always a tax upon the producer and consumer, must be in a common and universal measure of value and cost no more than a fair rate of interest for the use of the money involved; for that nation which is handicapped by the speculation incident to a different and varying measure of value will be distanced at the very start and doomed—a fact which is thoroughly understood and appreciated by every nation that has tried it and suffered from the ruinous disadvantages under which they labored. The latest to learn this lesson are Russia and Japan.

#### GOOD MONEY AND PRICES BEAR NO RELATION TO EACH OTHER.

Third. That the amount of good money per capita in circulation under normal conditions bears absolutely no relation to the price of articles except so far as the price may be affected through the rate of interest money commands and the sacrifices producers must make in selling their products under adverse conditions there is no longer any doubt.

#### COMPARISON OF PER CAPITA CIRCULATION.

By referring to the table it will be observed that France has nearly double the money per capita that England has, yet everyone knows who has inquired into the subject that almost every article you want to buy is cheaper in France than in England—just the very reverse of what the free-coinage advocate tells us would be true. Then there is Canada with only \$9.32 per capita, about one-quarter of that of France, and yet things are much higher in Canada than in France. It will be found upon investigation that prices average about the same in all of the following countries, notwithstanding the great difference in the per capita circulation. Greece has only \$7.36, about one-fifth of that of France; Norway \$6.65, about one-sixth of that of France; and Sweden \$2.70, or considerably less than one-twelfth of that of France. From these facts we must conclude that the condition, habits of the people, and practices in the use of money, pass books, checks, drafts, and other devices determine the quantity they use, and that the quantity bears no relation whatever to prices.

This truth is further illustrated and established by the following tabulated statement, prepared by the Treasury Department and issued in Circular 123, pages 53, 54, which gives the per capita circulation in the United States since 1800:

Statement of the specie and bank-note circulation of the United States in the years specified from 1800 to 1899, with amount of circulation per capita.

Year.	Number of banks and branches.	Estimated bank notes outstanding.	Estimated specie in United States.	Total money in United States.	Specie in Treasury.	Money in circulation.	Population.	Per capita.
1800.....		\$10,500,000	\$17,500,000	\$28,000,000	\$1,500,000	\$26,500,000	5,308,483	\$4.99
1810.....		28,000,000	80,000,000	108,000,000	3,000,000	105,000,000	7,239,881	7.90
1820.....		44,800,000	24,200,000	69,000,000	2,000,000	67,000,000	9,633,822	6.96
1830.....		61,000,000	32,100,000	93,100,000	5,755,705	87,344,295	12,866,020	6.69
1831.....		77,000,000	32,100,000	109,100,000	6,014,540	103,085,460	13,221,000	7.64
1832.....		91,500,000	30,400,000	121,900,000	4,502,914	117,397,086	13,590,000	8.64
1833.....		91,500,000	30,450,000	122,950,000	2,011,778	120,938,222	13,974,000	8.69
1834.....	506	94,839,570	41,000,000	135,839,570	11,702,995	124,136,575	14,373,000	8.64
1835.....	704	103,082,495	51,000,000	154,082,495	8,892,868	145,189,627	14,786,000	9.86
1836.....	713	140,301,088	65,000,000	205,301,088	5,000,000	200,301,088	15,213,000	13.17
1837.....	788	149,185,800	73,000,000	222,185,800	5,000,000	217,185,800	15,655,000	13.87
1838.....	829	116,138,910	87,500,000	203,638,910	5,000,000	198,638,910	16,112,000	12.33
1839.....	840	135,170,995	87,000,000	222,170,995	2,466,982	219,704,013	16,584,000	13.29
1840.....	901	100,968,572	83,000,000	183,968,572	3,693,984	180,274,588	17,039,453	10.61
1841.....	784	107,290,214	80,000,000	187,290,214	967,345	186,322,869	17,591,000	10.59
1842.....	682	83,744,011	80,000,000	163,744,011	230,484	163,513,527	18,132,000	9.02
1843.....	691	69,563,608	90,000,000	159,563,608	1,449,472	158,114,136	18,694,000	7.87
1844.....	696	75,167,646	100,000,000	175,167,646	7,857,380	167,310,266	19,270,000	8.68
1845.....	707	89,008,711	96,000,000	185,008,711	7,658,308	177,350,403	19,878,000	8.95
1846.....	707	105,682,487	97,000,000	202,682,487	9,139,439	193,543,048	20,590,000	9.43
1847.....	715	105,519,793	120,000,000	225,519,793	1,701,251	223,818,542	21,143,000	10.59
1848.....	731	128,606,091	112,000,000	240,606,091	8,101,363	232,504,728	21,805,000	10.65
1849.....	782	114,746,415	120,000,000	234,746,415	2,184,984	232,561,431	22,499,000	10.34
1850.....	824	131,366,526	154,000,000	285,366,526	6,604,544	278,761,982	23,191,876	12.02
1851.....	879	155,165,251	180,000,000	341,165,251	10,911,646	330,253,605	23,995,000	13.76
1852.....		171,673,000	204,000,000	375,673,000	14,632,136	361,040,864	24,802,000	14.63
1853.....		183,181,000	236,000,000	424,181,000	21,942,893	402,238,107	25,615,000	15.80
1854.....	1,206	204,699,207	241,000,000	445,699,207	20,137,967	425,561,240	26,433,000	16.10
1855.....	1,307	196,932,223	260,000,000	456,932,223	18,931,976	438,000,247	27,256,000	15.94
1856.....	1,308	196,747,950	250,000,000	445,747,950	19,901,325	425,846,625	28,083,000	15.16
1857.....	1,416	214,778,822	200,000,000	414,778,822	17,710,114	407,068,708	28,910,000	15.81
1858.....	1,422	155,308,344	200,000,000	355,308,344	6,395,316	348,913,028	29,763,000	12.75
1859.....	1,476	193,306,818	250,000,000	443,306,818	4,329,276	438,977,542	30,590,000	14.35

a Specie in Treasury estimated.

Statement of the coin and paper circulation of the United States from 1880 to 1896, inclusive, with amount of circulation per capita.

Year.	Coin in United States, including bullion in Treasury.	Paper money in United States.	Total money.	Coin, bullion, and paper money in Treasury.	Circulation.	Population.	Money in United States per capita.	Circulation per capita.
1880.....	\$235,000,000	\$307,102,477	\$542,102,477	\$6,695,225	\$535,407,252	31,443,321	\$14.09	\$13.85
1881.....	250,000,000	302,095,767	552,095,767	8,600,000	543,495,767	32,064,000	14.09	13.98
1882.....	25,000,000	323,452,079	348,452,079	23,754,335	324,697,744	32,704,000	10.98	10.23
1883.....	25,000,000	649,867,283	674,867,283	79,473,245	595,394,038	33,365,000	20.23	17.94
1884.....	25,000,000	690,598,067	715,598,067	705,598,067	690,041,478	34,046,000	20.72	19.67
1885.....	25,000,000	745,120,755	770,120,755	55,426,760	714,703,995	34,748,000	22.16	20.57
1886.....	25,000,000	728,327,254	753,327,254	80,839,010	672,488,244	35,469,000	21.27	18.99
1887.....	25,000,000	708,200,612	733,200,612	66,208,543	667,002,069	36,211,000	20.11	18.28
1888.....	25,000,000	691,553,578	716,553,578	36,449,917	680,103,661	36,973,000	19.39	18.20
1889.....	25,000,000	690,351,180	715,351,180	50,898,239	664,452,941	37,756,000	18.95	17.00
1870.....	25,000,000	697,888,461	722,888,461	47,655,667	675,232,794	38,558,371	18.73	17.50
1871.....	25,000,000	716,812,174	741,812,174	25,923,169	715,889,005	39,555,000	18.75	18.10
1872.....	25,000,000	737,721,595	762,721,595	24,412,016	738,309,540	40,596,000	18.70	18.19
1873.....	25,000,000	749,446,610	774,446,610	22,563,801	751,882,809	41,077,000	18.56	18.04

Statement of the coin and paper circulation of the United States from 1820 to 1898, etc.—Continued.

Year.	Coin in United States, including bullion in Treasury.	Paper money in United States.	Total money.	Coin, bullion, and paper money in Treasury.	Circulation.	Population.	Money in United States per capita.	Circulation per capita.
1874	\$25,000,000	\$781,024,781	\$806,024,781	\$20,941,750	\$770,083,031	42,790,000	\$18.83	\$18.13
1875	25,000,000	773,273,500	798,273,500	44,171,503	754,101,947	43,951,000	18.16	17.10
1876	32,418,734	738,264,550	790,683,284	63,073,896	727,609,388	45,137,000	17.52	16.12
1877	65,897,508	697,216,341	763,053,847	40,738,934	722,314,883	46,353,000	16.46	15.58
1878	102,047,907	689,235,009	791,253,576	62,120,942	729,132,634	47,508,000	16.62	15.72
1879	357,288,178	694,253,393	1,051,521,541	232,889,748	818,631,793	48,866,000	21.32	16.75
1880	494,363,884	711,565,810	1,205,929,197	232,546,969	973,382,228	50,155,783	24.04	19.41
1881	647,868,632	788,078,141	1,406,541,223	1,114,288,119	1,114,288,119	51,316,000	27.41	21.71
1882	703,974,832	776,530,880	1,480,531,719	309,303,704	1,174,228,015	52,405,000	28.30	22.37
1883	709,740,048	873,749,788	1,643,489,816	413,184,120	1,230,305,696	53,683,000	30.60	22.91
1884	801,039,939	904,865,250	1,705,454,189	461,628,220	1,243,825,969	54,911,000	31.06	23.65
1885	872,175,823	945,489,513	1,817,658,336	525,089,721	1,292,568,615	56,148,000	32.37	24.02
1886	908,027,304	905,639,390	1,808,559,094	555,850,109	1,252,708,985	57,404,000	31.50	23.82
1887	1,007,513,901	892,928,771	1,900,442,672	582,903,529	1,317,539,143	58,680,000	32.39	24.45
1888	1,092,391,690	970,694,259	2,062,955,949	680,785,079	1,372,170,870	59,974,000	34.39	25.88
1889	1,100,612,434	974,738,277	2,075,350,711	694,980,062	1,380,361,649	61,289,000	33.86	26.53
1890	1,192,471,638	991,754,521	2,144,226,159	714,974,899	1,429,251,270	62,622,250	34.24	27.82
1891	1,163,185,054	1,082,030,021	2,195,234,075	697,783,308	1,497,440,767	63,975,000	34.31	28.41
1892	1,232,854,331	1,139,745,170	2,372,599,501	771,252,314	1,601,347,187	65,320,000	36.21	29.44
1893	1,313,413,584	1,100,988,808	2,323,402,392	726,701,147	1,596,701,245	66,946,000	34.70	28.85
1894	1,251,549,158	1,168,891,623	2,420,434,781	759,626,073	1,660,808,708	68,397,000	35.90	29.28
1895	1,290,987,006	1,137,619,914	2,408,607,430	796,636,947	1,601,966,479	69,878,000	34.33	28.90
1896	1,225,618,792	1,120,018,536	2,345,631,328	839,000,300	1,506,631,028	71,300,000	32.86	21.10

NOTE 1.—Specie payments were suspended from January 1, 1863, to January 1, 1879. During the greater part of that period gold and silver coins were not in circulation except on the Pacific Coast, where, it is estimated, the specie circulation was generally about \$25,000,000. This estimated amount is the only coin included in the above statement from 1863 to 1875, inclusive.

NOTE 2.—In 1876 subsidiary silver again came into use, and is included in this statement, beginning with that year.

NOTE 3.—The coinage of standard silver dollars began in 1878, under the act of February 23, 1878.

NOTE 4.—Specie payments were resumed January 1, 1879, and all gold and silver coins, as well as gold and silver bullion in the Treasury, are included in this statement from and after that date.

NOTE 5.—This table represents the circulation of the United States as shown by the revised statements of the Treasury Department for June 30 of each of the years specified.

## CIRCULATION IN UNITED STATES AT DIFFERENT PERIODS COMPARED WITH PRICES.

Although prices were high during the first years of the century, our per capita circulation was about \$5. While prices fell very much about 1849, our per capita circulation had doubled. Again, if the circulation from 1863 to 1878 be reduced to the gold standard, the result would be as follows:

1863	9.00	1871	16.19
1864	13.29	1872	16.18
1865	9.67	1873	15.85
1866	13.06	1874	16.29
1867	13.46	1875	14.92
1868	13.23	1876	14.47
1869	13.16	1877	15.19
1870	13.23	1878	15.19
1871	15.22		

It will be observed that there is about 50 per cent more money in circulation per capita to-day than in 1873, and yet average prices were about 20 per cent higher in 1873 than they are to-day, making a divergence of about 70 per cent—just the reverse of what the free-silver advocate tells us.

## CIRCULATION IN DIFFERENT SECTIONS OF THE UNITED STATES TO-DAY COMPARED WITH PRICES.

Finally, let us compare the present monetary conditions of some of our States in different sections of the country:

State.	Capital.	Surplus.	Deposits.	Population.	Capital, surplus, and deposits per capita.
Rhode Island	\$19,947,000	\$6,237,000	\$36,510,000	345,000	\$129.27
New York	555,510,000	208,250,000	1,890,343,000	5,398,000	638.66
North Carolina	5,394,000	1,097,000	10,613,000	1,618,000	10.56
Mississippi	5,518,000	715,000	9,560,000	1,290,000	10.69
Arkansas	5,154,000	856,000	8,313,000	1,123,000	12.69
South Dakota	4,486,000	715,000	8,194,000	889,000	40.71
Washington	17,388,000	4,231,000	19,144,000	360,000	116.46

The actual money per capita would probably not exceed 20 per cent of the capital, surplus, and deposits, or 25.87 for Rhode Island; 87.732 for New York; 2.11 for North Carolina; 2.13 for Mississippi; 2.53 for Arkansas; 8.14 for South Dakota, and 23.29 for Washington.

It must be admitted by every candid man that if there were any relation between the per capita circulation and prices everything in Rhode Island would be 12 and everything in New York 48 times higher than in North Carolina or Mississippi, although as a matter of fact a vast amount of manufactures are shipped to the two latter States, while their products in turn are higher in the Eastern States, to which they are sent for a market.

So we find, both in comparing the different nations of the earth, taking our own history for a hundred years and the relative conditions of our several States to-day, there is absolutely no relation between the amount of money in circulation and prices.

## THE POORER OR CHEAPER PIECE OF METAL WILL ALWAYS DRIVE OUT THE BETTER OR DEARER.

Fourth. There is no country to-day with the free coinage of gold and silver that is not upon a silver basis exclusively, with no gold whatever in circulation.

Fifth. There has never been a time anywhere in the world when free coinage was given to two metals that they circulated side by side evenly, neither displacing the other, but on the contrary the invariable result has been, without a single exception, that the so-called bimetalism brought about absolute monometallism—the use of that dollar only which was made of the cheaper quantity of metal.

W. A. Shaw, in his History of Currency, page 178, says:

The second idea which is commonly entertained with regard to the action of France during this later period, viz, that her action secured for the world at large a fixed and steady ratio, is equally—indeed, still more—fallacious. At no point of time during the present century has the actual market ratio, dependent on the commercial value of silver, corresponded with the French ratio of 15, and at no point of time has France been free from the disastrous influence of that want of correspondence between the legal and the commercial ratio. The opposite notion, which prevails and finds expression in the ephemeral bimetallic literature of to-day, is simply due to ignorance.

## NATURAL, NOT COINAGE LAWS, DETERMINE THE RELATIVE VALUE OF METALS.

One might pertinently inquire if the attempt on the part of France to maintain a parity after 1803 had the tendency of bringing the commercial and legal ratio of gold and silver together, although they never remained together for a day, what was it that kept them just as nearly together for two hundred years prior to 1803? Is it not evident that what she attempted to do had absolutely no influence whatever upon the commercial value of either metal?

## METAL BASIS OF GOLD AND SILVER COUNTRIES COMPARED.

Sixth. By referring to the above table and carefully comparing the seven silver countries, which are the most inferior in commerce and civilization, with the twenty-seven gold-standard countries, which contain all the leading nations of the world, it will be found that the metal basis in value and per capita circulation of the gold-standard countries is incomparably broader than the basis of the silver-standard countries. Therefore when we are regaled with the fears of the bimetalist that there will not be base enough for the commerce of the world in the use of gold alone, it is to be observed that it is physically impossible to have two bases, and as between the two, gold has proven incomparably the broader and better base, and up to the present time has been found in sufficient quantity to meet every commercial burden or demand laid upon it, and proven itself to be peculiarly suited to meet all of the requirements of trade and the financial systems of the entire world, always keeping pace with its gradually increasing use.

## PRODUCERS SWINDLED THROUGH THE SILVER STANDARD.

It is also certain that whenever we have left the gold standard or trifled with it, we have gravitated certainly and irresistibly to a lower standard—silver or paper—and thereby been thrown out of



joint with all the rest of the commercial world, and have been compelled to pay enormously for the privilege of doing business upon any other standard on account of the speculation in exchange. It is not too much to say that on our approximate two billion of foreign business there would be a loss of at least \$250,000,000 which our producers would have to bear, while all our domestic commerce would be subjected to the jugglery of the middlemen, and the producers of this country would be robbed right and left under the pretense of a risk that silver might fall. Facing these incontrovertible facts, can any candid man of intellect, common sense, and patriotic inspiration find one single reason why we should hesitate for a moment about our policy?

What we want above all things is an unequivocal standard of value, the standard of the civilized world, and a system of currency constantly redeemable in that standard, and one which will respond to trade everywhere and at all seasons of the year, insuring low rates of interest, equal privileges, and equal justice everywhere. Free coinage will not bring a single one of these things, but in their stead doubt, disaster, losses, and ruin incomprehensible.

#### HAS THE SELECTION OF THE GOLD STANDARD WORKED INJUSTICE.

But has the selection of the gold standard by all the civilized world resulted in injustice to the people or any part of them? If so, that injustice should be righted.

If, however, some have suffered by the adoption of the gold standard only as others have suffered in all countries and all ages on account of some important discovery or process which has benefited the great mass of the people, relief should not be demanded or expected.

It is claimed by some that gold has appreciated and is appreciating to-day, and because of this fact, and just in proportion to that appreciation, the debtor, who must pay his obligations in gold values, is injured. If there has been any appreciation in the value of gold then it is true that, to the extent of such appreciation during the time the debt of any individual has been running, such debtor has been injured.

#### LIFE OF BANK LOANS.

But the average length of bank loans does not exceed sixty days, and no one will contend that there ever has been such an appreciation in that length of time, at least that any man can estimate it if there has been any; therefore all bank loans may be dismissed from any further consideration.

#### LIFE OF REAL ESTATE LOANS.

The average life of loans upon real estate, farms, and city property is approximately about three years. Now, can anyone say that gold has appreciated during any given three years to an appreciable degree? If so, in what three years?

#### GOLD APPRECIATION OR DEPRECIATION.

How shall this question of appreciation of gold be tested? Certainly all will agree that the most reliable standard is human labor. Measured by this standard, has gold risen or fallen? That is the question. According to the Senate report called the Aldrich report, it will be discovered that wages, measured in gold, have more than doubled since 1840. For the information of those desiring to know the exact and whole truth with regard to this question, I submit the following table, found on page 170, volume 3, of that most exhaustive, comprehensive, and valuable report ever made upon the subject of wages, prices, and transportation:

#### WAGES FOR FIFTY YEARS.

Relative wages in all occupations, 1840-1891, grouped by different methods.

Year.	Simple average.	Average according to importance.	Year.	Simple average.	Average according to importance.
1840	87.7	82.5	1866	153.4	155.6
1841	88	79.9	1867	157.6	164
1842	87.1	84.1	1868	159.6	164.9
1843	86.6	83	1869	162	167.4
1844	88.5	83.2	1870	162.2	167.1
1845	86.8	85.7	1871	163.6	166.4
1846	89.3	89.1	1872	164	167.1
1847	90.8	91.3	1873	167.1	166.1
1848	91.4	91.6	1874	161.6	162.5
1849	92.5	90.5	1875	158.4	159
1850	92.7	90.9	1876	152.5	151.4
1851	90.4	91.1	1877	144.9	143.8
1852	90.8	91.8	1878	142.5	140.9
1853	91.8	92.2	1879	139.9	139.4
1854	95.8	95.8	1880	141.5	143
1855	98	97.5	1881	146.5	150.7
1856	99.2	98	1882	149.9	152.9
1857	99.9	99.2	1883	152.7	159.2
1858	98.5	97.9	1884	152.7	155.1
1859	99.1	99.7	1885	150.7	155.9
1860	100	100	1886	150.9	155.8
1861	100.8	100.7	1887	153.7	156.6
1862	102.9	103.7	1888	155.4	157.9
1863	110.5	118.7	1889	156.7	162.9
1864	125.6	134	1890	158.9	168.2
1865	143.1	148.6	1891	160.7	168.6

Premium on gold and gold value of United States legal-tender notes from 1863 to January 1, 1879.

Year.	Average currency value of gold each calendar year during suspension of specie payments, Jan. 1, 1862, to Jan. 1, 1879.	Average gold value of United States notes each calendar year during suspension of specie payments, Jan. 1, 1862, to Jan. 1, 1879.	Year.	Average currency value of gold each calendar year during suspension of specie payments, Jan. 1, 1862, to Jan. 1, 1879.	Average gold value of United States notes each calendar year during suspension of specie payments, Jan. 1, 1862, to Jan. 1, 1879.
1862	113.3	88.3	1871	111.7	89.5
1863	145.2	68.9	1872	112.4	89
1864	103.3	49.2	1873	113.8	87.9
1865	157.3	63.6	1874	111.2	89.9
1866	140.9	71	1875	114.9	87
1867	138.9	72.4	1876	111.5	89.8
1868	130.7	71.6	1877	104.8	85.4
1869	133	75.2	1878	108	99.2
1870	114.9	87			

#### APPRECIATION TESTED BY WAGES.

When it is recalled that these are the wages in currency from 1863 to 1878, it will be found upon examination that while wages appear in the table to have been about as high in 1873 as 1891, they were in fact lower by 12 per cent, or were only \$1.46. When account is taken of the disturbance of both wages and prices caused by the war it will be found that from 1840 to 1892 there was a constant gain in wages paid in gold, and when the statistics for 1892 have been gathered it will be found that the average wages paid that year will approximate \$1.75 per day, the highest ever paid to man, and that, too, in the best money in the world.

#### GOLD FALLEN ONE-HALF, OR WAGES DOUBLED SINCE 1840.

The inevitable conclusion from these facts is that either wages have more than doubled since 1840 or gold has fallen or depreciated one-half in value.

Again, let us test the question of appreciation of gold by a comparison of charges for its use. We all know that any commodity falls when abundant as compared with the demand and rises when scarce in comparison with the demand.

#### APPRECIATION TESTED BY THE INTEREST ON GOVERNMENT BONDS.

Gold was scarce and dear during the war, the rate of interest paid in currency being more than 15 per cent at times. To-day the Government could borrow gold at 2 per cent per annum if there were no doubt whatever about its repayment, as is evidenced by the fact that it can fund its entire debt into a 2 per cent gold bond because that very act would forever settle our standard of value. Therefore gold must be abundant and cheap to-day as compared with 1873, when it cost more than three times as much per annum for its use, the rate of interest in gold then being more than 6 per cent per annum. It will be noted that the advocates of free silver, when discussing this question of appreciation, never go back of 1873 nor deal with wages, the most reliable test, nor the rate of interest, but force upon the public view the curse of falling prices—just as though anything could be too cheap in normal conditions when you want to buy!

#### THE REAL BATTLE OF MATERIAL CIVILIZATION.

Right here is the real and the whole battle of material civilization, whether the producer on the farm or in the factory shall get more and more for his labor—that is, be able to buy with the proceeds of his toil more and more of the necessities and comforts of life. It follows, therefore, that higher wages are in inevitable, constant, and eternal conflict with cheaper products. But every human faculty, every human endeavor, and all legislative power are set in motion to cheapen every factor that goes to make up the things we all want to buy, for nothing is cheap enough when we are buying, although everything is too cheap when we are selling. The farmer does not complain because his implements, which cost him only one-third of what they did twenty years ago, are now too cheap. The mechanic is not complaining because he can buy his Sunday suit of clothes for less than one-half of what it cost him twenty years ago.

#### ARE LOW PRICES A CURSE?

Are low prices a curse, then? They may be, but only when they are produced at the same or an increasing expenditure of human labor. When the necessities of life are produced at a lower cost of human toil, they are to that extent and must be a greater blessing to the human race.

Therefore, if the prices of 1891 were about what they were in 1840, notwithstanding the almost incalculable advantage in new processes, inventions, discoveries, methods, and means of transportation, with wages more than double what they were then, the American people of all classes have certainly gained enormously

in the struggle of life, and have moved upward and onward in the march of civilization.

That my candid readers who are seeking to know the whole truth about this matter may be fully informed, I herewith submit

tabulated statements found upon pages 100, 106, and 107, volume 3, of the Senate Report on Prices, Wages, and Transportation.

Again, taking 1860 as a starting point and 100 as a basis, comparison is made for fifty-two years.

TABLE 33.—Relative prices of agricultural products—individual products.

Year.	Barley.	Clover seed.	Corn.	Cotton, upland, middling.	Flax seed.	Hemp, rough.	Hides.	Meat.			Oats.	Rye.	Timothy seed.	Tobacco.	Wheat.	General average.
								Beaves.	Hogs.	Sheep.						
1840	83.1	173.3	85.1	83.2	74.5	88	88	65.8	50.5	-----	102	79.6	82.8	94.1	72.8	87.3
1841	88.3	90.7	100.3	85.5	82.2	148	90.5	60.5	54.8	-----	120.8	89.2	98.3	91.3	61.6	91.4
1842	70.8	100	85.1	68.2	68.6	80	70.8	57.9	53.3	-----	70.6	73.8	66.2	55.9	95.6	72.8
1843	71.4	55.2	74.9	78.6	72.2	64	58.1	66.2	43.5	40	69.9	80.3	88.4	58.8	56.3	65.2
1844	73.4	141.3	71.3	55.5	83.8	56	63.2	57.9	59.8	-----	96.3	84.7	68.4	58.5	70.2	73
1845	77.3	88.3	83.6	70.5	95.4	56	70.3	82.8	61	-----	105.9	87.3	81.6	60.3	71.2	78.1
1846	81.2	110	-----	85.5	67	50.4	67.3	80.4	61.7	-----	100.7	100.6	70.6	57.4	92.2	79.2
1847	90.9	93.3	96.7	107.5	66.4	88	50.1	98.9	75.9	46	142.5	108.3	87	69.1	81.4	100.6
1848	100	101.8	112	62.4	77.6	92	45.5	86.9	65.5	-----	89.5	87.9	101.4	61.8	88.3	83.8
1849	81.2	83.3	93.8	97.1	80.9	108	51	83.1	53.2	-----	94.1	76.4	107	79.4	78.3	83.3
1850	101.9	96.7	95.3	129.5	100.8	80	64.2	97.2	61.8	-----	111.1	80.9	120	102.9	76.4	94.3
1851	103.0	118.3	90.9	84.4	87.5	72	70.7	118.9	68.2	90	104.6	86.9	117.2	103.1	70.2	92.5
1852	98.7	120	102.5	93.6	84.6	70	70.8	134	91.2	80	118.3	100.6	99.2	73.5	64.2	94.8
1853	109.1	131.9	120.4	98.8	96.4	-----	73.7	114.3	92.4	100	127.5	115.3	86.3	76.8	81.7	102
1854	151	116.4	100.8	86.1	121	120	121.4	121.2	111.5	102.6	130	132.7	125.7	78.5	122	114
1855	102.3	135.2	125.5	91.3	123.1	124	121.4	111.5	102.6	130	117.6	147.8	125.6	73.7	132.4	130.6
1856	101	180.3	99.6	113.3	140.1	144	121.4	103.5	92	-----	117.6	108.3	131.8	124.1	131.2	136.4
1857	116.9	176	102.2	143.4	90.7	100	112.1	114.2	104.9	-----	117.6	80.2	122.6	174.4	107	119.4
1858	142.9	115.3	104	123.7	111.2	88	109.1	96.3	74.2	-----	134.6	101.9	78.1	134.4	76.2	106.4
1859	111.7	120	133.8	106.4	98.9	100	108.9	99.1	82.1	80	108.5	103.8	97.5	100.7	90.6	102.3
1860	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
1861	84.4	90.4	70.3	108.8	88.8	50	100	93.9	56	85.3	90.2	87.3	67.8	95.3	92.3	91.7
1862	77.3	112.1	86.5	522.5	121	84	118.2	91.4	58.7	127.4	150.3	80.3	71.9	180.9	86.7	131.7
1863	168.8	124	121.2	781.5	193.3	106	130.5	110.3	61.7	137.4	183.7	128.5	103.4	178.3	101.2	176.6
1864	240.3	176.1	229.8	1,119.1	230.1	-----	136.8	102.3	186.3	196.2	227.5	184.5	211.6	200.2	116.4	259.8
1865	105.6	328.1	132.4	453.2	223.9	188	90.3	212.9	218.4	174.3	156.9	127.4	174.6	125.8	140.5	194.6
1866	181.8	130	138.2	365.3	232.8	240	101.8	202	166.1	151	149	159.2	194.1	107.7	115.9	171.7
1867	191.0	223.6	192.7	198.8	191.8	-----	109.9	174.7	110.3	139.8	198.7	204.5	109.4	137.9	212.4	171.4
1868	150	154.1	164.4	247.4	205.3	160	119.3	158.6	150.4	115.7	189.5	191.1	127.1	160.5	163	172.8
1869	178.6	239.3	141.1	254.3	176.3	156	124.7	179	155.8	129.8	167.3	148.4	139	108	110.1	162.4
1870	142.9	190	126.5	156.1	154.8	176	119.1	161	134.3	124.8	139.9	114.6	212.2	158.1	84.7	146.9
1871	120.1	134.7	110.5	162.7	136.3	120	124.6	145.2	77.1	119.8	138.6	118.5	124	187.5	118.2	130.4
1872	136.4	124	93.8	173.4	135.4	84	134.1	157	80.6	156.7	115	108.3	139.4	161	138.5	129.2
1873	178.6	114.3	97.1	169.9	143.4	96	128.2	137.6	77.2	127.2	136.6	115.4	124.2	215.5	139.3	132.6
1874	152.6	139.9	139.3	143.4	146.1	128	121	147.4	103.3	147.2	133.8	119.7	114.5	180.2	121.5	137.6
1875	149.4	151.4	90.4	121.4	117.2	116	110	154.3	133.2	146.9	117.6	114.6	107	160.8	94.6	126.1
1876	128.2	225.6	82.5	101.7	97.8	88	98.8	129.6	97.4	137.2	112.4	104.5	76.7	145.7	101.3	115.1
1877	110.4	200.9	84.7	102.9	102	100	114.3	118	80.8	131.2	89.9	94.9	58.7	148.9	117.2	110.7
1878	140.1	98.1	70.7	99.4	111.9	78	111.9	114.1	60.8	116.5	75.8	82.2	73.9	137.4	100.6	98.8
1879	129.9	84.7	76.4	96	97.8	80	100.8	124.8	63	121.5	94.1	101.9	92.6	119.3	84.2	98.4
1880	116.9	60.3	75.4	106.4	97.9	104	129.6	128.3	82.6	137.5	110.1	122.3	105.1	137.8	112.3	109.9
1881	149.4	112.1	109.3	109.2	104.9	96	115.7	155.3	105.8	149	119.6	140.8	121.7	134.4	93.3	121.1
1882	122.1	107.5	100.7	105.8	94.3	84	114.6	168.8	134.4	137.4	103.4	101.3	83.8	141.1	116.4	114.4
1883	187.3	90.2	-----	98.3	107.1	88	103.1	154.3	82	120.6	92	92.4	56.3	138.2	88.8	100.3
1884	110.4	139.9	89.5	93.6	107.1	88	105.7	109.1	83.6	126.5	81.5	88.2	60.2	152.6	84.5	104.7
1885	100	114.4	71.5	90.1	90.3	140	104.5	136.2	68.3	118.3	83.6	70	76.3	122.3	71.1	93.9
1886	103.9	140.2	68.1	87.9	89.7	108	90.3	129.1	74.8	124.7	93.5	70.1	63.1	100.6	74	90.5
1887	102.6	97.3	75.1	87.9	87.9	92	98.4	124.5	81.2	121.6	92.6	70.1	96.9	122.5	73.6	94.9
1888	110.4	90.5	75.1	96.5	112	76	90	140.7	100.8	125.9	78.1	89.4	75	110.8	71	95.7
1889	89.3	115.1	57.8	100.6	110.8	96	74.8	111.2	74.7	140.5	68.3	63.7	58.5	122.2	80	91.3
1890	101	78.5	81.7	90	127.3	104	80.1	121	70	139	114.7	87.9	58.9	129.8	70.8	97.4
1891	92.9	104.8	89.1	80.3	82.8	92	70	138.1	79.3	137.8	86.6	123.6	51.4	140	87.7	97.1

For the total number of these articles gold prices were calculated.

TABLE 30.—Relative prices in each year, 1840-1891, in gold, for all (223) articles, grouped by different methods.

Year.	All articles simply averaged.	All articles averaged according to importance, certain expenditures being considered uniform.	All articles averaged according to importance, comprising 68.60 per cent of total expenditures.
1840	116.8	98.5	97.7
1841	115.8	98.7	98.1
1842	107.8	90.1	90.1
1843	101.5	80.3	84.3
1844	101.9	80.8	85
1845	102.8	82.1	88.2
1846	100.4	90.7	95.2
1847	106.5	90.7	95.2
1848	101.4	92	88.3
1849	98.7	88.9	83.5
1850	102.3	92.6	89.2
1851	105.9	99.1	96.6
1852	102.7	98.5	97.9
1853	109.1	103.4	105.5
1854	112.9	100.4	105
1855	113.1	100.3	100.2
1856	113.2	106.5	112.3
1857	112.5	100.6	114
1858	101.8	100.1	113.2
1859	100.2	102	102.9
1860	100	100	100
1861	100.6	95.9	94.1
1862	114.9	100.3	101.6
1863	102.4	84.1	91.1
1864	122.5	96.1	110.7

TABLE 30.—Relative prices in each year, 1840-1891, in gold, for all (223) articles, grouped by different methods—Continued.

Year.	All articles simply averaged.	All articles averaged according to importance, certain expenditures being considered uniform.	All articles averaged according to importance, comprising 68.60 per cent of total expenditures.
1865	100.3	88.2	107.4
1866	136.3	114.3	134
1867	127.9	107.9	123.2
1868	115.9	108.8	125.6
1869	113.2	100.2	112.3
1870	117.3	107.5	119
1871	122.9	112.7	122.9
1872	127.2	112	121.4
1873	122	106.4	114.5
1874	119.4	108.2	116.6
1875	113.4	106.5	114.6
1876	104.8	102.4	108.7
1877	104.4	102	107
1878	101.7	101.7	103.2
1879	96.6	96.6	95
1880	100.9	103.4	104.9
1881	105.7	105.8	108.4
1882	108.5	106.3	109.1
1883	106	104.5	106.6
1884	99.4	101.8	102.6
1885	93	95.4	93.8
1886	91.9	95.5	93.4
1887	92.6	90.2	94.5
1888	94.2	97.4	96.2
1889	94.2	99	98.5
1890	92.3	95.7	93.7
1891	92.2	96.2	94.4



Relative prices by five-year periods, 1840-1891, for all articles grouped by different methods.

Periods.	All articles simply averaged.	All articles averaged according to importance, certain expenditures being considered uniform.	All articles averaged according to importance, comprising 83.60 per cent of total expenditures.
1840-44.....	108.8	93.9	91
1845-49.....	103.2	93.3	90.1
1850-54.....	106.6	90.4	90.1
1855-59.....	108.2	107.1	110.8
1860-64.....	131.5	114	120.5
1865-69.....	178.3	156.5	162.4
1870-74.....	137.5	123.6	124.4
1875-79.....	110.9	108.9	112.9
1880-84.....	105.3	104.4	103.3
1885-89.....	93.2	96.7	95.2
1890-91.....	92.3	96	94.1

#### FARM PRODUCTS LOWER IN 1890 THAN 1891.

To ascertain what the prices were in gold from 1869 to 1878, in table 33, reference should be had to the table already referred to on page 933. The average price to the farmer on these fifteen products for the first eight years—1840 to 1847, inclusive—was 69.6, while the average price for the same fifteen products for the last eight years—1884 to 1891—was 96.4, or more than 38 per cent higher during the last eight years than the former.

#### SILVER AND CROPS BEAR NO RELATION TO EACH OTHER.

When due consideration is given to the resources and facilities of the farmers to-day as compared with 1840, it can be demonstrated that each man can accomplish twice as much, which is equivalent to doubling the prices of his products. We are constantly told, you will remember, by the advocates of free coinage, that prices of crops and silver always rise and fall together, but when we recall the fact that silver was \$1.33 per ounce in 1840, 98 cents in 1891, and is only 68 cents to-day, we must be convinced that such a statement has not a scintilla of evidence upon which to rest.

It will be admitted, for the sake of argument, that prices have fallen some since 1873, but not so rapidly as prior to that time, as evidenced by the foregoing table, although silver did not fall at all from 1864 to 1873, the period of greatest fall in prices.

It remains to observe in this connection what caused the low prices from 1840 to 1845, the high prices from 1853 to 1873, the low prices from 1885 to 1891, and the still lower prices from 1893 to 1896.

#### LOW PRICES OF 1890 EXPLAINED.

At the close of the Napoleonic wars in 1815 commenced that long peace, during which the working force of the world recuperated for a quarter of a century and turned its entire attention and energy to the production of those things that were needed by mankind, and so successful were they in every endeavor that they made it possible to obtain the necessities of life at lower prices than the world had ever before enjoyed.

#### HIGH PRICES OF 1853 TO 1883 EXPLAINED.

Then came in rapid succession those military events which called the men from the shop and the field and converted the great producing army of the world into an army of wasteful consumers and actual destroyers of property of every kind. The war with Mexico raised prices about 25 per cent. Then followed the revolution in Germany, the French Revolution, the Crimea, the war of Napoleon III to make Italy "free from the Alps to the sea," the Franco-English expedition against China, the great rebellion in the United States, the conquest of Mexico by Napoleon III, the Franco-Prussian war, the era closing with the Russo-Russian war in 1877. Since then the world has been following exclusively the arts of peace and the human family has been unremittingly devoting itself to the production of the necessities of life, and has been assisted in this effort by the most marvelous discoveries and inventions in the history of mankind. The result was that prices of everything except labor continued to fall in a normal and natural way, as they should, down to 1892, when the prices of 233 articles in most common use again reached about the same level of 1840, as indicated in the tabulated statement No. 30, from page 100, volume 3, Senate report on prices, wages, and transportation.

#### RETROSPECT OF THE CENTURY.

Before considering the period between 1892 and 1897, let us look backward for a moment from 1892 over the history of the United States and consider how, if in any way, the fall of prices could have been prevented, and how now the exchangeable value of the products of the United States can be increased. Certainly no one will deny that the period between 1879 and 1892 was not only the

most prosperous in the history of our own country, but the most marvelous in development and advancement ever experienced by any people in the history of the world.

#### HOW TO PREVENT PRICES FROM FALLING.

In the light of the past, then, the exchangeable value of the products of labor could only have been kept from falling from 1873 to 1892 in the following ways:

First. By the perceptible increase in the wages of the producers of the 233 articles covered by the above tabulated statement.

Second. By a disuse or destruction of a very considerable number of those methods and processes by which all the necessities of life have been greatly cheapened.

Third. By setting one-half of the human family to killing the other half and destroying and wasting a considerable portion of the accumulated property now contributing to the convenience and comfort of mankind.

But will any of the advocates of higher prices urge the adoption of either of the two last methods? Certainly no one will withhold his hopes that the first may continue to gain until the equitable adjustment of labor and capital is reached.

#### 1840-1850 AND 1880-1890 COMPARED.

When one compares the prices from 1840 to 1850 with the prices from 1885 to 1891 and finds that they are upon identically the same level, he wonders, in the face of all recent discoveries, inventions, methods, and processes, including the use of steam and electricity, why prices have not fallen to at least one-half what they were in the earlier period; and, indeed, they would have done so but for the simple reason that as rapidly as advantages have been gained in facilities in production wages have constantly risen until now, as we have seen, they are double what they were in 1840.

Certainly no frank and careful investigator will claim that he can discover the slightest trace of the effect caused by silver legislation upon the affairs of this country between the years 1840 and 1891.

It remains, therefore, only to inquire into the events since 1892 and ascertain the causes of our misfortunes, study the sources of our ills, and clearly determine the factors that have produced the long-to-be-remembered crisis of 1893 and mark the reasons for its painful continuance.

#### SPECULATION BEGAN IN 1884 AND ENDED IN PANIC IN 1893.

Beginning with 1884, simultaneously with the same movement in nearly all parts of the civilized world, our people entered a speculative era which terminated in the panic of 1893.

#### THE CAUSES OF THE PRESENT CRISIS.

During these nine years the spirit of speculation crept over every section and into every locality of the land, firing the gambling instinct of the people with that false philosophy that something can be made out of nothing. The result was that all classes invested their fortunes or earnings or the proceeds of mortgages upon their homes in the construction bonds or stocks of railroads, street-car lines, gas companies, or bought lots cut out of farms surrounding every city and village in the land, until all our ready money was consumed in nonproductive investments. Finally every man became frightened at his neighbor's condition, credit was universally exhausted, and forced liquidation began and has been going on steadily ever since.

#### FREE SILVER WILL NOT ERADICATE THE GAMBLING INSTINCT.

Certainly no one will claim that the free coinage of silver will in the slightest degree relieve this situation nor eradicate the instinct that makes the whole human family gamblers at times.

#### NATIONAL CREDIT IS STRAINED.

While individual credit was becoming exhausted, unfortunately for our nation and our people, the Government was laying a breaking strain upon its credit by increasing its demand obligations at the rate of fifty millions a year, without increasing its reserve to the extent of a single dollar, until we exhibited to the world the pitiable spectacle of having more than a thousand million demand obligations out and but a paltry one hundred million to protect it, which in more conservative days we thought necessary to protect only \$346,000,000 of United States notes.

#### FREE COINAGE WILL NOT STRENGTHEN THE CREDIT OF THE NATION.

Certainly the advocate of free coinage will not claim that the credit of the Government would have been strengthened by an unlimited amount of the very thing that was fast carrying us on to repudiation?

Weakened by the expenditures of all the cash accounts of the people and the exhaustion of personal credit, and with our national credit strained to the breaking point, we were in no condition to bear the suspicion that this nation might construe the word "coin" to mean silver as well as gold, thereby compelling our creditors—indeed, all creditors—to accept 50 cents of value as a full payment for 100 cents of obligation. This was the logical and inevitable result of the free coinage of silver; hence its agitation and accomplishment would not only not have relieved us, but plunged us

still deeper into commercial trouble and made our financial ruin complete.

**FREE COINAGE WILL NOT PRODUCE REVENUE NOR LESSEN EXPENDITURES.**

Notwithstanding this combination of untoward circumstances, which called for the highest order of statesmanship and financial skill, little or no thought was given to the real problem calling for immediate solution. But the legislative department of the Government enacted a law that, either because of what it promised, threatened, or did actually do in failing to produce sufficient revenue to support the Government by an average of about fifty millions a year for four consecutive years, brought this, the wealthiest and most powerful nation of the world, to the very verge of bankruptcy, dishonor, and eternal shame. Now, it can scarcely be believed by anyone that the free coinage of silver would, on the one hand, have increased our revenues to the extent of a single cent, to say nothing of \$200,000,000, nor reduced our expenditures a single cent, to say nothing of \$200,000,000.

These were the positive, direct, and incidental causes that led to the crisis of 1893, which has been protracted by unnecessary war cries and the persistent demand of a portion of our people that the Government of the United States offer its people in the redemption of its obligations a dollar that could not exceed 50 cents in actual value.

**ACUTE LIQUIDATION WAS NOT RELIEVED BY A PROPER CURRENCY SYSTEM.**

Severe as has been the strain, difficult as has been our problem, complicated as has been the situation, unfortunately our currency system has not been such as to assist in relieving us in the slightest degree from the consequences of acute liquidation, but on the other hand actually precipitated it with all its disastrous results.

**FREE COINAGE WILL NOT GIVE US AN ELASTIC CURRENCY.**

Now, no one who is at all familiar with the science of exchange will claim that the free coinage of silver would have furnished the one essential element—a responsive and elastic currency—which might and probably would have saved us from the shock of panic and prevented the waste and destruction in values that necessarily follows a change from a credit to a cash basis. Herein lies the secret and full explanation of the ruinous prices of the past four years, and therefore no student of a judicial temperament will attempt to draw any inference from these abnormal times upon which to base a course of reasoning that he can apply to natural conditions.

**IF HIGHER PRICES IS THE ONLY OBJECT WE SHOULD START THE PAPER MILLS AND PRINTING PRESSES.**

From this review of nearly sixty years of our history we are justified in concluding that not a single theory advanced by the advocate of free coinage is substantiated by facts established by our own experience or those of the world, and are compelled to say that if with given wages higher and higher prices are desirable without regard to an increased exchangeable value of the products of labor the United States would be unwise in stopping at any form of metal money, and should at once resort to the paper mill and printing presses.

**WHAT IS MATERIAL CIVILIZATION.**

If, on the other hand, the purpose of this commercial struggle and material civilization is to give greater and greater purchasing power to a day's labor, so that every home may have more and more of the comforts of life, and instead of our present necessities becoming luxuries many present luxuries may become and be regarded as necessities, greater purchasing power should be given to every day's labor, the whole world should continue in the arts of peace, and we should welcome every discovery and process that would tend to lessen the cost of those things that make life worth living.

**THE TWENTIETH CENTURY WILL OPEN WITH THE FIRST REAL BATTLE FOR COMMERCIAL SUPREMACY.**

The twentieth century will open with the first really great battle for the commercial supremacy of the world. With what arms shall we enter the fight? Shall we depend upon bows and arrows while our competitors arm with the most approved muskets? Shall we depend upon the old wooden hull, with its white wings stretching out from the mast waiting patiently for a favorable wind, while other competitors traverse the sea in steel-clad greyhounds? Shall we subject every producer of the United States to an unequal contest by the adoption of a measure of value that will suffer a discount at every turn in every market of the world, when this trade contest is to be settled by a one-quarter, one-eighth, one-sixteenth, or one thirty-second of a cent?

**THE DISADVANTAGE IN EXCHANGE ALONE MEANS FAILURE.**

The certain disaster that is sure to follow the disadvantage in exchange alone by a country using a different measure of value from the great commercial nations of the world has been so keenly felt that Japan and Russia, the only two remaining silver-standard countries where the light of civilization has begun to dawn

and the energizing thrill of commerce has been felt, have since the 1st of January adopted measures establishing the gold standard. Russia, by an Imperial decree of January 3, 1897, established the gold standard, reducing silver to the place of subsidiary coins, while Japan, by legislative enactment just passed both legislative bodies, has determined a ratio for gold and silver—32½ to 1—with the distinct purpose of establishing within their own realm the gold standard also, and reducing the use of silver to the subsidiary coins.

If the United States would take her proper place at the head of all nations in the grand march of civilization, she must remove all barriers between the genius of her people and her mighty army of producers and the world's consumers, instead of inviting the most fatal obstacle to her supremacy.

**THE DEMAND OF THE HOUR.**

Theories must give way to experience; fancy must yield to facts; patriotic impulse must override blind partisanship; prejudice and false assumption will wither in the sunlight of truth. This great question, involving as it does the hope of the people and the future of the nation itself, calls loudly for the display of candor, earnest thought, moral courage, the highest order of patriotism, and our best statesmanship.

In conclusion, therefore, let me express the hope that in the consideration of this subject at least no attempt will be made to overlook, forget, and much less obscure or suppress the truth, but that the responsibilities of the citizens of this Republic may be kept constantly in view.

A careful study of each proposition and the adaptation of the various principles involved in this measure to our condition and needs will, I think, justify the following conclusions:

First. Our banking business would be taken out of politics.

Second. Our Government would be taken out of the banking business.

Third. We would escape the expense and danger always attending fiat money issues.

Fourth. We would save in interest on our national debt \$12,000,000 every year.

Fifth. We would demonstrate to the world that our credit was higher than that of any other nation, the rate of interest on our public debt being reduced to 3 per cent, while that of Great Britain is 2½.

Sixth. Our measure of value being definitely determined and permanently established, hundreds of millions of dollars from abroad and at home would instantly seek the channels of trade and at constantly lowering rates of interest, affording every good enterprise ample means for its promotion.

Seventh. Every dollar of our currency would be good enough to pass current in every land and travel around the entire world side by side with the Bank of England notes.

Eighth. The entire reserves of our banks would be gold or its equivalent.

Ninth. A vast amount of gold and silver, taking the place of our smaller bills, would circulate among all our people with a most salutary effect.

Tenth. Our smaller villages and more remote places would have the advantage of banking privileges, and equal justice would be meted out to every honest man entitled to credit.

Eleventh. The producers of every kind and in every section would be supplied with ample currency at reasonable rates of interest to handle or hold their crops or manufactures until they desired to dispose of them.

Twelfth. The rates of interest would be much lowered and equalized throughout the United States.

Thirteenth. Instead of our eight different kinds of money we would have but two besides gold and silver, and ultimately but one.

Fourteenth. All holders of notes would be guaranteed against loss, the United States redeeming them in case of liquidation.

Fifteenth. All depositors in national banks could be insured against loss in case of a bank failure.

Sixteenth. Bank panics and currency famines would be impossible, and therefore unknown.

Seventeenth. The cotton and grain growers, the stock raisers, and manufacturers would soon learn that their own property—stock, grain, cotton, and merchandise—is as good a basis for money in the form of currency as gold or silver, and that the only prerequisites are a fixed measure of value, means of repayment, and a good name.

Eighteenth. The credit of the nation could not then be strained and brought in question, as it has been during the past four years, paralyzing trade, prostrating commerce, ruining enterprises, and destroying all credit, which has become so important a part of modern civilization.

Nineteenth. All banking institutions would seek protection under this law, the system would become uniform and universal, the individual would be better served, and the public better protected.



Twentieth. Doubt would give way to certainty, fear to hope, confusion to order, hesitation to confidence, and upon our integrity and intelligence would rest the beneficent smile of Providence.

Let us hope, then, that in the consideration of a subject that should be absolutely free from political prejudices, the bitterness of the partisan contest may disappear; that the charge, insinuation, and suspicion even of dishonest intention on the part of a great portion of the American people may linger no longer, but that, with a full realization of the wrongs suffered and injuries and losses inflicted upon them, we may, as true men, patriotic citizens, and wise legislators, having in trust the interests not only of our own immediate neighborhood but of every section, and of every man even living under our flag—realizing that he is our brother—seek out the cause of his complaint and study how to guarantee to him equal opportunities under the operation of just laws.

### The Tariff.

### SPEECH

OF

HON. F. C. TATE,

OF GEORGIA.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 24, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. TATE said:

Mr. CHAIRMAN: By the tariff act of 1890, known as the McKinley bill, it was proposed to reduce revenues, and by the present bill it is proposed to increase revenues and encourage the industries of the United States.

Now, Mr. Chairman, to raise a revenue you must so adjust the tariff that foreigners will send their goods to this country, for if no foreign goods are imported into this country there can be no revenue; and if they are imported, American manufactures are not protected from competition. Now, sir, how can you keep out foreign products and get a revenue at the same time, or how can you admit foreign products and at the same time prevent them from competing with American manufactures?

Mr. Chairman, the day for the practice of such glittering falsehood is past. The people can not be misled by any such inconsistent statements. Why not meet this question fairly and declare that this bill is for the purpose of protecting and making more profitable the business of the people engaged in manufacturing in the United States by prohibiting in most instances competition from abroad, and by allowing the American manufacturers to form agreements, trusts, and combines whereby they will be able to put up the price of what they sell to the farmers and laboring people of this country? Sir, with all foreign competition shut out by this bill, it will be an easy matter for the trusts now formed and those that certainly will be formed by reason of the passage of this bill to limit their output and increase prices.

#### CONSUMER PAYS THE TAX.

One would think from hearing the speeches of those who advocate the passage of this bill that an abundant revenue and overflowing Treasury meant prosperity to the people. Suppose you pile up money in the United States Treasury; how does that relieve the distress of the people? You say the trouble is due to a lack of revenue. Suppose you raise more revenue than is required to support the Government; how will that add to the prosperity of the people unless you give one class benefits by special legislation in their interests? Then you can only benefit that favored class at the expense of every other class, for if you legislate money into one man's pocket, you legislate it out of some other man's pocket—some one must do the paying.

But you say under a protective-tariff system the foreigner pays the tax. How does he pay it? When he ships his goods to this country the Government collects the tax or tariff when his goods enter our ports, and the foreigner adds the tariff tax to the price that he gets for the goods he sells to our people, just like the merchant adds the freight to the price of the goods he sells his customers, or the barkeeper adds the amount of tax he pays on his whisky to the price at which he sells his whisky. In each case the consumer pays the original cost of every article he buys, including the tariff, the freight, and a profit of the seller. If this were not true, goods would not be shipped to this country and sold, nor would people engage in any kind of business.

On page 160 of this bill we find the following provision:

SEC. 24. That where imported materials on which duties have been paid are used in the manufacture of articles manufactured or produced in the United States, there shall be allowed on the exportation of such articles a drawback equal in amount to the duties paid on the materials used, less 1 per cent of such duties.

And this section further provides:

And the drawback due thereon shall be paid to the manufacturer, producer, or exporter, to the agent of either, or to the person to whom such manufacturer, producer, exporter, or agent shall in writing order such drawback paid, under such regulations as the Secretary of the Treasury shall prescribe.

Now, if the foreigner pays the tariff, why provide that this drawback shall be paid to the manufacturer, producer, or exporter, or to the agent of either? If the importer pays the tax, why pay it back to the exporter or his agent?

No, Mr. Chairman, the "manufacturer, producer, or exporter" pays the tariff, and not the foreigner or importer, and this provision is put in this bill for the purpose of paying back to the "manufacturer, producer, or exporter" the tariff paid for the imported materials used by him while he clamors for higher tariff taxes on everybody else, and, in fact, dictated the provisions of this bill in his own selfish interest.

The manufacturers of my district engaged in the manufacture of leather and those engaged in manufacturing chairs have filed protests against the taxing of oils used in tanning and cane used for making chairs. Mr. Chairman, the manufacturers themselves make such protests on the ground that it would only result in an increased cost to the consumer without any return to the manufacturer. These are candid men of exalted character who make this protest. They know the consumer pays the tariff, and they desire to relieve their customers from the increased cost of the product they sell. [Applause.]

#### DEPRESSION NOT DUE TO FOREIGN COMPETITION.

Mr. Chairman, we only have in existence in this country \$1,700,000,000. The amount required for taxes by the United States each year is \$540,000,000, and the taxes required for the States, counties, cities, and towns amounts to \$500,000,000. How can we expect the American people to be prosperous when \$1,050,000,000 of the \$1,700,000,000 of money in the country is annually taken from them in taxes?

Mr. Chairman, the Wilson bill failed last year by \$25,203,245 to raise enough money to meet the demands of the most extravagant Congress in the history of this Government, except, possibly, the Fifty-first Congress; yet we were told by the framers of this bill that it will increase the tariff taxes to such an enormous extent that it will raise \$113,000,000 more than the present law.

Why tax the people \$113,000,000 more, when \$25,000,000 is all that is needed to pay the expenses of the Government and the appropriations of the most extravagant Congress that this country has ever been burdened with? There can be no reason, unless it be for the purpose of further extravagance and to increase the profits of the manufacturers of this country by putting up the price of what the people buy. By the census of 1890 the output of the manufacturers of this country, after deducting the cost of material, was \$4,860,286,837, and the exports of domestic manufactures the same year were \$151,102,376, making the output more than \$4,000,000,000 in excess of the exports.

The imports for the same year were \$789,310,404, and for the year 1896 were \$779,724,674, being \$9,585,720 less than 1890. On the amount of foreign goods last year imported into the United States, this Government collected import duties to the extent of \$160,021,751. This was under the Wilson bill. Now, if the amount of increase in the price of foreign goods, by reason of the tariff duties, and the price of the goods made and sold by the domestic manufacturers of this country be the same, the school children—whose books are taxed by this bill—would have an example like this to solve: If the Government of the United States collected \$160,000,000 tariff taxes on \$779,724,674 worth of foreign goods, how much did the domestic manufacturers put into their pockets on \$4,000,000,000 of goods manufactured and sold by them to the people of this country?

Then, Mr. Chairman, when they have found an answer to the problem, they can take the answer and work another example of like nature: If to raise \$160,000,000 in tariff taxes the people paid to the protected manufacturers in increased prices for what they bought the amount found in the first example, how much more will the people of the United States pay to the protected manufacturers in raising one hundred and thirteen millions more in tariff taxes by this bill? Then by adding the two answers together they will have the amount of profits of the protected manufacturers of this country, and they will more fully understand why the protected classes have grown rich while the balance of the people have become poorer each year.

Mr. Chairman, it is insisted that the trouble with the country is foreign competition. You tell us that the distress of the men who labor in the factories of America is caused by goods being imported into this country which are made by the pauper labor of

Europe; that the trouble with the American manufacturer is foreign competition. How can this be true when we import to-day less, comparatively, than at any time before in the history of this country? The competition with foreign goods is growing less and less each day. Yet our friends who support this bill tell us that the condition of the labor engaged in American manufacturing is in a worse condition than ever before. With less foreign goods coming into our market, the condition of our labor, and of the manufacturing interest of this country, can not be due to foreign competition.

I have prepared the following table, showing the value of foreign merchandise imported into the United States and the value of domestic manufactures exported from the United States from 1890 to 1896:

Year.	Imports.	Exports of domestic manufactures.
1890	\$789,310,409	\$151,102,376
1891	844,916,196	168,927,315
1892	827,402,463	158,510,937
1893	806,400,929	158,623,118
1894	654,994,622	183,728,808
1895	731,960,965	183,595,743
1896	779,724,674	229,571,178

Now, sir, it will be seen from this table that the amount of foreign merchandise shipped to this country decreased from 1894, the date of the passage of the Wilson bill, and the amount of goods manufactured in this country and sold abroad increased. Now, in the face of these facts, how can anyone insist that the present condition of the country is due to the passage of the Wilson bill or foreign competition?

#### THE LABOR QUESTION.

Mr. Chairman, we hear a great deal upon this floor about the pauper labor of Europe, and in this connection I desire to read from the report on labor of Secretary of State William M. Evarts to the Forty-sixth Congress. I read from page 36:

The average American workman performs from one and one-half to twice as much work in a given time as the average European workman. This is so important a point in connection with our ability to compete with the cheap labor manufactures of Europe, and it seems on first thought so strange, that I will trouble you with somewhat lengthy quotations from the reports in support thereof.

For the first time our manufactures are now assuming international proportions. At a time of universal depression we have met those nations which held a monopoly of the world's markets, met them in their strongholds, and established the fact that American manufactures are second to the manufactures of no other nation, and that, with a proper and patriotic understanding between capitalist and laborer, we can command a fair share of the buying world's patronage, and command that patronage with larger profit to the capitalist and higher wages to the laborer than can be made or paid in any other country.

Then, after showing the superiority of our workmen, he says (page 37):

One workman in the United States, as will be seen from the foregoing extracts, does as much work as two workmen in most of the countries of Europe; even the immigrant from Europe attains this progressive spirit by a few years' association with American workmen.

We have no oppressed and stupid peasantry, little more intelligent than the tools they handle. All are self-thinking, self-acting, and self-supporting.

This is the report of one of the leading Republicans to the Congress of the United States while Secretary of State.

A similar report was made by Mr. Blaine, and I am sure none of our friends on the other side of the Chamber will question the statement of Mr. Blaine, who was the leader of his party for so many years, and who was one of the greatest, if not the greatest, of Republican statesmen of his day. What does he say in his report to Congress on this question? After setting out the facts upon which he based his report, on pages 98 and 99 he says:

The wages of spinners and weavers in Lancashire and in Massachusetts, according to the foregoing statements, were as follows, per week:

Spinners: English, \$7.20 to \$8.40 (master spinners running as high as \$12); American, \$7.07 to \$10.30.

Weavers: English, \$3.94 to \$5.04, subject at the date on which these rates were given to a reduction of 10 per cent; American, \$4.52 to \$5.73.

The average wages of employees in the Massachusetts mills is as follows, according to the official returns: Men, \$5.30; women, \$5.62; male children, \$3.11; female children, \$3.08. According to Consul Shaw's report, the average wages of men employed in the Lancashire mills on the 1st of January, 1890, was about \$6 per week, subject to a reduction of 10 per cent; women, from \$3.40 to \$4.30, subject to a reduction of 10 per cent.

The hours of labor in the Lancashire mills are 56 in the Massachusetts mills 60 per week. The hours of labor in the other New England States, where the wages are generally less than in Massachusetts, are usually 60 to 62 per week.

Undoubtedly the inequalities in the wages of English and American operatives are more than equalized by the greater efficiency of the latter and their longer hours of labor. If this should prove to be a fact in practice, as it seems to be proved from official statistics, it would be a very important element in the establishment of our ability to compete with England for our share of the cotton-goods trade of the world.

From these returns it is seen that every American spindle consumes 60 pounds of raw cotton, while each British spindle consumes only 35 pounds, or less than one-half the American consumption per spindle.

It thus appears that each American operative works up as much raw material as two British operatives, turns out nearly \$1.50 worth of manufactures to the British operative's \$1 worth, and even in piece goods, where the supe-

rior quality and weight of the American goods are so marked, the American operative turned out 2.75 yards to 2.50 yards by the British operative.

Munhall shows the product of each employee in countries other than the United States to be as follows: England, \$793; France and Germany, \$545; Belgium, \$547; Switzerland, \$437; Austria, \$411; Russia, \$384; Spain, \$368; and Italy, \$367; while the census of 1890 shows that 4,717,622 employees in America produced \$9,372,437,388 worth of products, which shows an average per hand of \$1.98.

This shows that one hand in America produced more than twice as much as a hand in England, and more than three times as much as a hand in France, Germany, and Belgium; and four times as much as a hand in Austria, Switzerland, Russia, or Spain, and more than seven times as much as Italy.

Now, sir, I am willing to go as far as any man to better the condition of the laborers in this country; but if these figures of Mr. Evarts and Mr. Blaine are true, the factory labor of the United States is paid less in proportion to what they produce than the factory labor of any other country in the world.

#### THE PEOPLE JUSTLY COMPLAIN.

A tariff for protection places all the burdens on the producers of farm products and the laborers of this country. Under a protective tariff system and our unjust financial system the wealth of the country is fast drifting into the hands of a few millionaires. Any system of laws that enables a few men to accumulate greater riches than kings in a few short years is radically wrong and unjust. [Applause.]

If the people cry out and demand the repeal of laws unjust to them and the enactment of such as will give them equal opportunities, they are told that they must not agitate; they must be quiet and submit; that they will destroy confidence and frighten capital.

Why, Mr. Chairman, the reason for the complaint of the people grows out of the fact that they have lost confidence themselves in the justice and fairness of the legislation of the country, and how can it be otherwise when the rich are growing richer and the poor poorer each day by reason of such laws as the bill now before this House?

The fate of ancient Rome and other nations of antiquity tells us that their decline and fall were caused by the concentration of the wealth of those countries in the hands of a few people. In the language of another, when darkness settled over Egypt and she lost her place among the nations of the earth, 3 per cent of her population owned 97 per cent of her wealth; when Babylon went down, 2 per cent of her population owned all the wealth; when Persia bowed her head, 1 per cent of her population owned all the land; when the sun of Rome set in black despair, 1,800 men owned and controlled all the known world.

The United States for the past thirty years has followed the path traveled by these nations, and to-day 40,000 people own more than one-half of the wealth of the United States, and 250,000 of her 70,000,000 people practically own all the wealth in this country.

In 1850 the farmers of this country owned five-eighths of the wealth of the United States; in 1860, three-fourths; in 1870, a little more than one-third; in 1880, one-sixth, and in 1890, one-seventh.

In 1890 the farmers had \$13,279,252,649 invested in farm lands, and their products, not including live stock, brought \$2,460,107,454.

The manufacturers of this country in 1890 had a capital of \$6,139,397,895, and after deducting cost of material, as I have heretofore shown, their output was \$4,860,286,837, and the amount of wages earned by employees in manufacturing was \$1,221,170,454.

Now, if we take the \$1,221,170,454 paid for labor by the manufacturers of this country from \$4,860,286,837, the value of the goods produced, we have an income to the manufacturers of this country of \$3,639,117,383, or about 60 per cent profit for the year 1890.

It will be readily seen from these figures how the manufacturers took care of the poor laborers who made, in 1890, \$4,860,286,837 for them, and they allowed them \$1,221,170,454 of this sum; and the manufacturers, after allowing 10 per cent on their investment, got in addition \$3 every time the laborer who made the goods got \$1.

#### PROTECTIVE TARIFF DOES NOT BENEFIT THE FARMER.

Mr. Chairman, a large majority of the people of my district are farmers. I was reared upon a farm, and know what difficulties under present conditions surround our farmers. I fully understand the constant toll that is required of our farmers in order to pay store accounts, provision bills, guano notes, and excessive taxes in the fall of the year. They must all be paid out of the year's crop.

If the crop is cotton, there is no protection on cotton; cotton is produced in competition with the labor of the world, and sold in the open markets of the world without any protection. Yet every item of manufactured goods sold the farmer under this bill bears an average tariff tax of 57 per cent, an increase over the McKinley bill of 7 per cent. How can the farmers who make cotton pay this tax and prosper? We are told there is nothing sectional in this bill; that it protects all alike. I would be glad for some one of its champions to point out how it protects the cotton growers of the South. Do you do it by putting a tax on cotton bagging and ties and on cotton gins; on farming tools, and on everything upon God's green earth that he buys?



The labor of the world is engaged in raising cotton, wheat, corn, and oats. "Oh," you say, "the cotton producers get no benefit from this bill. But that is not true of the corn, wheat, and oat growers. They are protected." I deny it. It is true you have a tariff tax of 15 cents a bushel on corn, 20 cents a bushel on oats, and 10 cents a bushel on wheat.

The agricultural schedule of this bill that we are told will relieve and encourage the farmers of this country and bring to them the prosperity promised in the last campaign can not in any way benefit them or relieve them from the present depression due to falling prices. Under this bill a tariff tax of 15 cents a bushel is put on corn. How can this increase the price that the farmer will get for his corn? The farmers of this country produce 2,151,139,000 bushels of corn, while the balance of the world produces only 492,332,000.

This shows that the farmers of this country produce 87 per cent of the entire corn crop of the world. During the fiscal year 1896 the United States exported 101,100,375 bushels of corn and corn meal, and imported 4,388 bushels of corn. How can 15 cents on 4,388 bushels of corn, which come to this country principally for seed, increase the price of 2,151,139,000 bushels of corn made by our farmers?

Why, Mr. Chairman, we made 101,100,375 bushels more corn and corn meal last year than we needed, which we were compelled to send abroad to find a market, and as the price of the 101,100,375 bushels of corn sold in the open markets of the world fixed the price of corn in the home market there was no increase in the price of corn made by the farmers of this country by reason of the tariff on corn, for any country that produces a large surplus of a product and disposes of that surplus in the free markets of the world, the price received for the surplus fixes the price of the product at home. This rule applies to the \$509,879,297 of agricultural products sold in a foreign market last year.

During the fiscal year 1896 the farmers, as I have shown, sent over 100,000,000 bushels of corn abroad to find a market. They exported over 13,000,000 bushels more of oats than were imported into this country; over 58,000,000 bushels more wheat than was imported. The value of wheat flour exported over that imported was over \$52,000,000.

We exported 372,461 head of cattle and only imported 734 head. We exported 25,126 head of horses and imported 9,990 head.

The value of raw cotton sent abroad to find a market was \$190,056,464.

Our exports of lard were over 500,000,000 pounds more than our imports. Our exports of bacon and hams were over 554,000,000 pounds more. Our exports of fresh and pickled pork exceeded our imports by more than 70,000,000 pounds. We sent over 369,000,000 pounds more of fresh, canned, and salted beef out of the United States to find a market than was shipped to this country. We exported 26,691,963 pounds of dried apples last year and imported only 13,648 pounds, and we exported 300,000 barrels more of green and ripe apples than we imported. We exported 11,000,000 pounds more of butter and over 500,000 bushels more of potatoes than we imported.

With the farmers of this country furnishing 86 per cent of our export trade, how can the tariff duties provided by this bill increase the price of the products they are forced to export and sell in competition with the world? Mr. Chairman, the farmers of this country will not be deceived by the rates on farm products in this bill. They know that, if they must ship their products abroad in order to find a market, tariff taxes do not benefit them.

Mr. Chairman, the farmers of this country would not complain at the enactment of a just tariff law that levied duties for the purpose of raising revenue and which distributed the duties levied with fairness, but when the sturdy farmers of this country who are to-day plowing their fields, their hearts fresh in the love of their wives, their children, and their homes, their souls hopeful in the prospect of a coming crop made by honest toil, their lives pure, their consciences clear, fully understand the provisions of this bill, they will justly repudiate those who seek at the dictation of the protected classes to fasten this unjust legislation upon the country. [Applause.]

Mr. Chairman, the paid emissaries of wealth and their representatives, under the false plea of aiding the farmers and laborers of this country, appeal to Congress after Congress for legislation purely in their own interest. They can be relied upon to furnish a scheme at each Congress which they insist will relieve the country. This bill is but another one of their efforts to enrich the few at the expense of the plain people of this country.

Sir, when I first entered the Fifty-third Congress we were told that to bring prosperity to the country we must repeal the purchasing clause of the Sherman Act, and after bringing every influence to bear upon Congress the purchasing clause of the Sherman Act was repealed, but prosperity did not come. The next remedy was the issuing of bonds, which we were told would relieve the people. Bonds to the amount of \$362,000,000—not by authority of Congress, but in spite of Congress—were issued and sold.

I am glad, Mr. Chairman, that representing what I believe to

be the best interest of the people, I voted against the repeal of the purchasing clause of the Sherman Act, and against the proposition to issue bonds; but the repeal of the purchasing clause of the Sherman Act, and the placing of a mortgage debt on the people, their children and their children's children, could not and did not better the condition of the country. The next promise to the people was plenty and prosperity if they would declare against Bryan and Bryanism. This we were told would restore confidence and bring prosperity. The present occupant of the White House was represented as the advance agent of prosperity. It seems that he is far in advance of it; at least four years in advance.

Sir, the people of this country will not have prosperity until we restore the money of our fathers, enact a tariff law for revenue that places taxes highest on luxuries and exempts, as far as practicable, the necessities of life, and is limited to the necessary expenses of the Government economically and honestly administered. Sir, when we give to every American citizen an even chance in the game of life, then eternal justice will rule supreme, and then the people of this glorious country of ours will move forward toward that splendid future of fullest triumph and ultimate glory which it is their destiny to reach. [Applause.]

### The Tariff.

### SPEECH

OF

HON. J. YOST,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. YOST said:

Mr. CHAIRMAN: I send to the Clerk's desk the following amendment:

On page 23, line 1, strike out "forty" and insert "seventy-five;" so that it will read:

"Iron ore, including magniferous iron ore, the dross or residuum of pyrites, 75 cents per ton."

Mr. Chairman, it is with the greatest reluctance that I find myself compelled to antagonize the committee upon this schedule. Nothing save an imperative sense of duty to the constituency I have the honor to represent could induce me to challenge the findings of those distinguished gentlemen who have so ably and so zealously devoted themselves to the preparation of a bill the enactment of which will, I believe, bring to this country a rich measure of prosperity.

It is in this spirit that I offer this amendment, believing it to be in full accord with the principle upon which this bill is based, and because, to a degree, it is responsive to the demand which the people of this nation made for tariff legislation.

They had a right to expect, and they did expect, that success upon the issue joined would not only place at the head of this Government a man broad enough to represent the interests of a whole country, but would also be productive of legislation equally comprehensive.

I do not charge that the majority members of the Ways and Means Committee, in framing this measure, intended to discriminate against any section. On the contrary, I believe they were animated by a sincere desire to advance the interests of all upon broad American lines. But these gentlemen are but human and naturally subject to the influence of environment. Necessarily they are more familiar with the needs and requirements of their own sections, and in contemplating immediate interests lose sight of the interests of others which stand in apparent conflict. We of the South who stand on this side of this Chamber, knowing the extent of Southern resources, and believing that the upbuilding of our section is linked with the maintenance of the principle of protection, have, in effect, been deprived of representation in the preparation of this bill.

Our Democratic friends have practically monopolized Southern representation on the Ways and Means Committee. They are doubtless sincere in their conviction, and that very sincerity compels them to oppose the protective principle, and prevents them, under that principle, from advocating and insisting upon those schedules the incorporation of which means the development of the South and the prosperity of her people. For this reason Southern industrial interests have not had that consideration in the preparation of this bill which their extent and importance entitle them to; nor has there been opportunity to call attention to this discrimination since the bill has been under discussion. For nearly two weeks the measure has been under consideration in the Committee of the Whole. Theoretically, it is here that the schedules are discussed and amendments offered.

As a matter of fact, almost the entire time has been consumed

In the revamping of old campaign speeches, so that not even one-tenth part of the bill has been read by sections; nor is there any promise of progress being made should the time be extended. It is the apparent purpose of the minority to prevent an intelligent discussion of schedules. Representatives whose constituents are to be seriously affected, and who desire to present amendments and the reasons therefor, have for days been seeking an opportunity to discharge their duty. That opportunity has been denied them. The time which should have been devoted to an earnest and practical consideration of schedules has been frittered away in declamations and the reshaping of theories which the American people have distinctively condemned. We have passed the theoretical stage. The public policy of this Government has been determined, and the duty of the hour is to carry forward the work on the lines laid down by the American people in November last. The theoretic question was submitted and decided, and in harmony with that decision is the amendment I have offered.

In declaring for a return to the protective policy the people declared for the principle of the McKinley bill, and they declared also for the schedules of that bill where an abandonment of the schedules involves an abandonment of the principle. Under the McKinley bill the duty on iron ore was 75 cents per ton, and we ask that under this bill that duty be restored. Who objects to this? We are told that Eastern furnace men are demanding cheap foreign ore in order to meet the fierce competition with which they are confronted and because their own domestic beds have been exhausted. But the East is not the only producer of iron, although in the past the bulk of the production has come from that section. In recent years new and formidable competitors have entered the lists, and the battle of evolution is now on. They are American competitors and are entitled to a fair field under a broad American policy. For generations the Eastern furnace men, possessing the raw material, ample capital, and proximity to market, and protected as they have been against ruinous foreign competition, for generations we have paid tribute to the East; have practically dominated the trade. They have prospered in the enjoyment of these advantages, and their supremacy would have remained unchallenged had not the wonderful natural resources of the South and West attracted the attention of capital and invited development. The alliance of Southern resources and Northern enterprise and capital is fast transferring the center of iron production, so that to-day the only competition the Eastern furnace men fear is that of their Southern brother. And against that brother they are now crying aloud for an abandonment of the policy under which they have prospered, because a continuance of that policy will result in the utilization of the millions of tons of ore now lying useless in the South.

We are willing to meet these gentlemen under fair conditions. They have the advantage of nearness to market; we the advantage of abundant raw material. Not satisfied, however, with the advantage which their location gives, they are asking the additional advantage which cheap foreign ore would afford. Against this we protest. Instead of bringing this ore from abroad, let us put our own people to work and transfer the scene of activity from across the water to our own doors. The West can furnish all the Bessemer ore needed, and the South can supply the material for the basic steel. There is no reason why the 776,000 tons of iron ore imported last year should not have been produced here. For generations we have paid tribute to the East, and now when the tables are turned and the gifts which nature has bestowed upon the South are ripe for the uses of man, it is both selfish and wrong to undertake to fasten upon us a law which opens the door to the foreign ore and closes the mines of the South.

The true purpose of protection, as I understand it, is development of American resources by American labor. Whenever an article can be produced or fairly substituted in this country, American labor should be given the opportunity to produce it. To this end the tariff rates should be adjusted so as to measure the difference between the wages paid under our system and the wages paid in foreign lands. Apply this principle to the schedule under consideration. There is not a ton of the iron ore imported last year which can not be duplicated here, or fairly substituted. I am aware that gentlemen contend that this foreign ore is different from our domestic product. I admit that it is good ore, but insist that there is no metal into which it enters that could not be made from American ore. It is brought here, not because its place can not be supplied from American mines, but because under our labor system it can not be supplied so cheaply. That is the reason, and the only reason, why the million and a quarter dollars paid in 1895 for foreign iron ore was not paid to American wage earners. To the extent of this importation have our own laborers been deprived of employment. To this extent they have been wronged. The opportunity is presented now of righting this wrong, and we should not hesitate to do it. Let us have back the principle of the McKinley bill, and let us prove that our party is national, and that it looks to and labors for national development and not for the benefit of any special section, however great that section may be.

The principle of Republican protection is in the manufacture and sale of American products and the taxation of foreign imports.

### The Tariff.

### SPEECH

OF

HON. DANIEL W. MILLS,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 24, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. MILLS said:

Mr. CHAIRMAN: In all history of national growth and development it has been wisely said that experience is a valued teacher. Sometimes this experience is accompanied with joy and prosperity; sometimes with sadness and demoralization; and I believe I can truthfully state, without fear of contradiction, that the American people have tasted the fruits of both. In all the history of our experience, considering the advantages we should have gained by rapid growth and development, we have had no period of depression and general demoralization greater than that which confronts this Congress, assembled as it is in extraordinary session to provide proper remedies for the evils existing by reason of Democratic mismanagement and stupidity.

#### PRESENT CONDITIONS.

Progress is a system of changes and developments, and a government in order to properly govern must be capable of meeting those exigencies which arise from conditions prevalent at the time.

For the last four years the American people have lived in an era wrought from the darkest clouds of despair. The merchant, the farmer, the toiler, have all witnessed the evil omens in the skies of distrust, and with that conscious instinct of self-preservation taught in the school of experience and practice, they have asked that present conditions be changed.

Distrust and Democracy—the two are correlative terms—have given way to Republican rule, which, like a beam of sunlight in the wake of a fearful storm, bids godspeed to the coming of a brighter day. Reason is once more established in high places of governmental management, and throughout the length and breadth of this great nation men have begun to feel that "the Government at Washington still lives."

To meet this emergency, Mr. Chairman, we have been called together to pass a tariff bill which will provide sufficient revenue to carry on the Government and to enable American industries to again resume active operations. It seems to me that the greatest argument which presents itself to the minds of all honest-thinking men in favor of a protective tariff is the present condition of our country, its industries, and its people. Words are inadequate to express a more forcible reason for protection than these.

#### THEORY VS. EXPERIENCE.

In all tariff discussions there have been two dominant ideas rising above all others, one based upon theoretical reasoning, the other upon the sound principle of actual experience and condition. One is a matter of caprice, the other a matter of fact, and in this discussion of taxation we have had Democratic theory vs. Republican facts.

The Democratic party, in a moment of spasmodic forgetfulness on the part of the people, was thrust suddenly into power and controlled all avenues of legislation, which gave them a wide field to put into operation all their cherished ideas of a tariff.

Like a lot of schoolboys drilled for a commencement exercise, they went onto the stage of political action and either forgot what they were told to do or were jealous of each other. Their brains were full of theoretical delusions, and, after wrangling for months over pet fancies, they passed a bill a part of which has since been declared unconstitutional by the Supreme Court, and which also became a law without the President's approval, and left the country a continuous deficit of over \$203,000,000 in four years, or over \$50,000,000 per annum, and which, we are informed by the late Secretary of the Treasury, will be augmented by a further deficiency of \$45,000,000 for the fiscal year beginning on July 1 next, if existing conditions continue.

We have here a practical demonstration of what it cost the American people to indulge in Democratic fanaticisms. Yet we are told here by these learned gentlemen of Jeffersonian proclivities that the Republican party seeks to impose unnecessary burdens upon the people by its tariff legislation. What greater burden could be imposed upon the people than the increased bonded indebtedness of \$262,815,400, made necessary under the last Administration by the decrease of the revenue? Common sense seems to dictate a change from the economic conditions forced upon the nation by Democracy and its followers, whether they be middle-of-the-road Populists of the South or Bryan Silverites of the West.



## NEED OF MORE REVENUE.

No one will attempt to deny that the Government must have a sufficient revenue to meet its expenses, and since the income-tax law has been declared unconstitutional by the Supreme Court, what else remains but to pass a tariff measure to meet the exigencies of the occasion?

To meet these conditions we are now offered a tariff measure which presents the following figures:

*Rough preliminary estimate of revenue from proposed bill.*

Schedules.	Duties—			
	Collected in 1893.	Collected in 1896.	Estimated.	Increase.
Chemicals, oils, and paints....	\$6,369,522	\$5,513,545	\$5,196,226	\$2,682,681
Earthen, earthenware, and glassware.....	12,118,305	7,644,422	11,901,532	4,257,110
Metals, and manufactures of.....	27,082,729	13,332,002	17,343,676	4,010,984
Wood, and manufactures of.....	1,857,803	384,713	2,143,588	1,758,375
Sugar.....	193,294	20,910,016	51,645,896	21,735,880
Tobacco, and manufactures of.....	14,831,990	14,859,117	22,257,788	7,398,671
Agricultural products and provisions.....	13,905,671	7,859,600	14,109,998	6,310,128
Spirits, wines, and other beverages.....	9,704,393	6,995,648	9,732,827	1,797,179
Cotton manufactures.....	11,536,005	9,311,330	11,077,119	1,765,799
Flax, hemp, and jute, and manufactures of.....	18,974,850	12,018,063	19,834,845	7,816,733
Wool, and manufactures of:				
Wool.....	8,303,323	20,027,589	17,538,399	17,538,399
Manufactures of wool.....	26,404,798	12,504,006	50,274,704	27,240,935
Silk and silk goods.....	20,310,259	1,242,125	14,357,536	1,853,550
Pulp, paper, and books.....	2,070,124	10,929,164	1,300,331	88,406
Hundries.....	15,006,544	37,879	14,198,898	3,248,794
Unenumerated—unmanufactured.....	717,531	124,258	37,879	.....
Articles transferred from free list to dutiable.....	368,951	.....	124,258	.....
			4,000,000	4,000,000
Total revenue.....	198,373,466	155,025,917	200,106,710	113,479,790

From these deductions we are assured of an increase of \$113,479,798 over that of the last fiscal year, and while seemingly large, is not more than the contingencies liable to arise seem to warrant.

In this hour of financial distress, when people are on the verge of questioning the stability of the nation's credit, too much money will do no harm, while too little has already stifled the freedom of speculation and interchange of commercial transactions. In all transactions which effect prosperity and progress the nation must lead, while the people, being a part of that nation gathering together their individual interests, follow on in that road which leads to safety. When you deplete the resources of the Government, you frighten the people and stampede capital into seclusion. No people can be considered safe and contented when there exists distress at the fountain head of government. Government means guidance, and there can be no safer guidance than sufficient means.

## PROTECTIVE TARIFF AS A LICENSE.

But our Democratic friends on the other side tell us we collect more revenue than we need, and that our bill will collect from the people more than the requirements demand.

I am not ready to admit, Mr. Chairman, that the people pay this tax. Tariff taxation is principally levied on importations, and importations come from abroad. Whatever tax, therefore, may be laid upon importations is paid by the persons who cause these articles of commerce to be brought to our shores. They have an object in bringing these goods here, and that object is to place them upon our markets for sale. We have a great nation, which is without question the greatest manufacturing nation in the world, and if any men or set of men choose to engage in the business of importing articles of foreign manufacture to our shores for the purpose of placing them in competition with our own products, I do not know of any reason why they should not be made to pay for the privilege of trying to close up the manufacturing industries of the United States. Nobody has any more rights than ourselves. We pay our workmen good wages, and as a result we stimulate active energy, which produces marvelous results. Even our friends who wrote the minority report on this bill tell us that we have the highest skilled laborers of any civilized country of the world. They also tell us that our advanced intelligence enables us to have a greater productiveness than any other nation in the world. Yet, notwithstanding the fact that we are a nation of intelligent workers and a nation of great productiveness, our Democratic friends complain because we make the foreigner pay a license for encroaching upon our domain of industrial energy. We have here a further exhibition of Democratic contradiction and fallacy.

They tell us when we tax foreign products we impose burdens upon the poor who pay the tax.

The life of every nation is its industry; destroy industry, and you take away the life that actuates the power of existence. No injury could be more effectual than an injury which seeks to impair industry, and when we stock the markets of this nation with arti-

cles of foreign manufacture, we put so much energy of foreign importation against the energy of American institutions.

## CONDITION OF AMERICAN WORKINGMEN.

Within the last three or four years the American workman has learned a sad lesson of experience, which came from Democratic theorizing upon the subject of free trade and low tariff.

The principle of Republican protection is in the manufacture and sale of American products and the taxation of foreign imports. If there are those who choose to buy foreign products, let them pay the penalty of a revenue tax for their failure to support home industry.

Labor-saving machinery is now an important factor in all manufacturing interests, and with the sharp competition which now exists among our own manufacturers we need have no fear that the tariff rate will affect the price of American commodities.

It is folly to suggest a remedy for an evil which is productive of other evils far greater. There can be no evil worse than that which seeks to close up American industries for the benefit of foreign manufactures. The American laborer is first, the foreign laborer last.

The people, after an experimental trial with Democratic tariff tinkering, have called the Republican party to the rescue, and have asked for protection, which we expect to give them.

A great deal, Mr. Chairman, has been said about the workingman in these tariff debates, and as a Representative from one of the greatest manufacturing cities of the world, which offers to the workingman inestimable advantages in the way of employment, I desire to put myself on record as a friend of the toiler.

Our city, which for American ingenuity, enterprise, and thrift can not be excelled by any other, is a world of industry within itself, and it seems strange that a business center like this should overwhelmingly declare for Republican protection. Why? Because they have had a practical test of Democratic tariff doctrine, and I believe the greatest protectionists in the country to-day are the workingmen in our large cities.

## INCOMPETENT JUDGMENT.

I respect my distinguished friends from the South and give them all the rights accorded to private opinion; but when men from the sunny fields of the South attempt to lay down tariff doctrines for the guidance of Northern industries, they step upon a field of action foreign to their knowledge of practical experience.

Let me give you a few figures, by way of comparison:

*Statistics of population and manufactures of the States of Tennessee, Texas, and Illinois.*

	Population.	Number of establishments.	Number of employees.
Tennessee.....	1,767,306	4,559	42,759
Texas.....	2,235,459	5,298	59,475
Illinois.....	3,826,351	20,482	312,198

	Wages paid.	Capital invested.	Cost of materials used.	Value of products.
Tennessee.....	\$16,899,351	\$51,475,002	\$40,463,782	\$72,355,286
Texas.....	18,586,318	46,815,181	36,152,308	70,451,551
Illinois.....	171,523,579	502,004,512	529,019,089	938,640,280

This is a comparison, Mr. Chairman, of the two States represented by the rival leaders [Mr. McMILLIN and Mr. BAILEY] of Democratic tariff doctrine with the great State of Illinois, which I have the honor to represent in part. My district alone represents a population of 209,208, while the city of Chicago has a population which in time will equal that of either of the States named. Yet, notwithstanding the facts given in the table, these gentlemen come here and plead the cause of the workingmen—a class of citizens with which they have little to do or know little of.

Chicago, which rose in a night from the ashes of the greatest conflagration ever known, stands to-day a model of American enterprise and industry, and the bone and sinew of its life is in the employment of its working classes. No city in the Union has felt the pangs of financial distress and misery greater than the Garden City of the West, and I would feel that I had violated my most sacred trust did I return to its people without having done everything in my power to protect their interests through the medium of a protective tariff.

Democratic management has closed our factories and our banks. Our homes are left without means of proper existence and our streets are filled with idle men. What care men for theory or experiment when they suffer as a result? What they need and what they shall get, if the Republican party has the power to give it to them, is employment. Home production and home consumption go hand in hand; the destruction of one destroys both.

## TRUSTS AND THEIR REMEDY.

But our friends tell us we create trusts through the medium of our system of taxation.

Trusts are evils which menace the life of trade, and I am ready at all times to record my vote in favor of any bill which will destroy trusts and monopolies. But, Mr. Chairman, I am not ready to vote for free trade or inadequate protection in order to destroy a small proportion of individuals who take advantage of a protective-tariff measure to enhance their own interests. The cure seems to be worse than the evil; and knowing as I do that men will always grasp the opportunity to enrich themselves at the expense of others, no matter what methods they may adopt to accomplish their purpose, I am of the opinion that other means are at hand to crush these gigantic evils than the systems advanced by our friends. It is an insult to the intelligence of the age to say that trusts can not be wiped out by adequate legislation in other channels.

#### RIGHTS OF CAPITAL AND INTERESTS OF LABOR.

Capital honestly invested and righteously managed is entitled to a fair and reasonable profit, and I think I will not be contradicted when I say that the American capitalist is to-day the most liberal of all the world, for in no nation is the rate of wages so high as in our own country. This is self-evident and conclusive, and without the investment of capital labor is without employment. Any person with a moderate knowledge of political economy is familiar with the fact that labor and capital are really one. Capital is an aggregated result of labor, and without it there is no labor.

The idea of legislation to give the laborer a cheap product in which he has had no hand in manufacturing is to give him nothing at all, for the principle of commerce and industry is in the interchange of commodities. Capital and labor, production and consumption, are synonymous, and depend upon each other in order to produce an equitable adjustment of coexisting relations.

It is fallacy to try and run this Government upon the plans suggested in the many platform enunciations of Populistic creeds. The stability of capital means the stability of labor, and labor is never more contented than when capital is at work opening up the avenues of commerce and industry. The greatest capitalists of the age have been men of toil, and the surest way to wealth, which stands open to all, is in the prosperity and encouraging conditions of the nation.

I believe in legislation against trusts and monopolies, but let it be specific and direct, not as advanced against protection and justifiable taxation. We have met serious conditions before and have dealt with difficult problems of state. We can do it again.

In conclusion, Mr. Chairman, I desire to say that I come here as an inexperienced person so far as national legislation is concerned; but coming fresh from a people whose prosperity and happiness have been seriously impaired by such reckless legislation in the past, I believe even a meager knowledge of the affairs of government would dictate a favorable vote upon the pending bill, which I shall give.

It may be that there are imperfections in the bill, but no imperfection, no matter how great, could possibly be greater than the imperfections of the existing tariff schedule. Knowing that the Senate is to deliberate upon this matter fully, which will return it to this House for further consideration, I will record my vote in its favor now in order that all possible haste may be made in its final passage.

Protection is no longer a dream, but is a bright star of hope in the vast field of commercial activity which will lead prosperity and progress from the gloomy shadows of an inglorious past.

#### The Dingley Tariff Bill.

#### SPEECH

OF

HON. JAMES A. NORTON,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. NORTON said:

Mr. CHAIRMAN: When this measure was being considered under the operation and restrictions of the five-minute rule, I sought to call the attention of the committee to simply one of the great wrongs out of the many that the bill contained.

But before I could define and make plain the fact that this measure, if it became a law, would by its operation seek for revenue in throats of sick children and deny to the suffering the privilege of procuring life-saving remedies, I was notified that my time had expired. Months, days, and hours had been devoted outside of this House to the consideration of the special interest of

trusts, combines, and corporations. And even here upon this floor the slightest sound when created by the touch of the finger of sordid capital upon the telegraph key could be heard by the attuned ear of the chairman of the Ways and Means Committee, and he promptly answered; and he was alert and fleet of foot to respond to the call of those who had contributed to the corruption fund of his party, and who by unlawful and despicable means had intimidated and coerced thousands of American workmen into supporting the nominees of the St. Louis convention.

But the appeals of the stricken and the despairing cry of the suffering fell upon deaf ears and unsympathetic hearts, and the click of the rich man's gold drowned out the wail for help and relief coming up from the common people. Pleadings of the Representatives upon this side of the Chamber for a few minutes of time in which to point out wrong and to ask for justice at the hands of the majority were disregarded, and the right denied under your iron rule of despotism that is an outrage upon free speech and parliamentary decency. You assure us that we have the right and privilege left to us to print our appeals and opinions in the RECORD. Most gracious privilege, indeed. Appeal when? Print when? After you have done your work of iniquity, when we can only cry out to a dead past—to the graveyard of the people's hopes—when argument and reason can only come in the form of protests against a wrong already consummated and hope for remedy is abandoned. [Applause.]

Legislation for the people by the people's representatives becomes a farce when in the legislative halls of seventy millions of free people free speech is trammelled, throttled, restricted, and silenced by dictatorial rules and autocratic power, and that power generated from the power house of capital and greed. When the shackles are riveted upon the people, labor, agriculture, and honest industry are enchained by law to the juggernaut of subsidized aristocracy, and we desire to raise our voice against such treason to the people's right, we are silenced by rules and told that we may speak through the columns of a Congressional newspaper having a limited circulation of less than 20,000 among more than seventy millions of people. Gracious boon indeed! Let us thank God that we are permitted to live and breathe, to starve, and die a natural death not governed by the rules of this Congress. [Loud applause.]

While this, the most monstrous measure and menace to the rights of our people ever introduced into an American Congress, was being briefly alluded to by permission, I briefly indeed referred to one of the most ungrateful and un-American characters that ever received honors and preferment at the hands of the American people. The language used by me on that occasion has been subject to criticism. Very well. It may not have been as ornate, classic, or elegant in phraseology as it should have been. My apology is that it was the truth, the plain truth and simple, and within the comprehension of every American citizen, and believed and indorsed by most of them. It was a truth the expression of which was justified by the course of Grover Cleveland as President of the United States. His financial policy was British, Republican, and un-American; was a breeder of trusts and a defense of combines and unlawful corporations. It ruined trade, enslaved labor, depressed industries, lowered values of all things but gold, and violated the law and the Constitution that he swore to uphold and defend. His foreign policy was unpatriotic and dictated by foreign and domestic enemies to the prosperity of the United States, and brought our flag into the dead calm of the shadows of shame. [Applause.]

But, gentlemen of the majority, he should be your ideal and your idol. He was our Judas, and your Moses. We are justified in repudiating and execrating him. You should glorify and honor him. You should build monuments to his infidelity. And I see you are not slow to grasp the opportunity, and the so-called Dingley bill, No. 379, should be dedicated to his memory and occupy a place in his biography, for it is like him in line, character, and lineament. Great in its monstrosity, outrageous in character, deceitful as a whole, despicable in detail, false to Government and the people, cruel in its application, without mercy or humanity, vain of its power, a servile, fawning sycophant to the rich and opulent, and a crushing, tyrannical robber of the poor and toiling classes. [Loud applause.]

Permit me to place before you the title of the McKinley bill, and ask your attention thereto: "To reduce the revenue and equalize duties on imports, and for other purposes."

And now let us read the title of this production of robbery: "To provide revenue for the Government and to encourage the industries of the United States."

As honest men, let me ask you what you think of the two propositions. If the title of the McKinley bill portrayed the truth of the intent and purposes of the measure, and that increasing the rate of duty would decrease revenue, how, in the name of reason, can you expect to increase revenue by the Dingley law, whose rate of duty is higher in almost every schedule than the McKinley law? I may be justified, therefore, in saying that it will not



increase the revenue; but, by its prohibitive rates of duty, it will decrease the revenue below the now existing point under the Wilson law, and thereby force again the recourse of issuing bonds in time of peace. So much of the mission of the Dingley law, if it becomes law, I believe it can and will accomplish.

Will it "encourage the industries of the United States"? No reasoning man believes that it will "encourage" any honest industry, but I believe, and the country will witness under its provisions, dishonest combinations crushing out of existence the thousands of struggling industries who can not compete with the giant organizations brought into existence by this breeder of trusts.

It will protect none but those who do not need and ought not to have protection. It will withhold and deprive those who need protection from most of the benefits thereof.

This bill is un-American, for it violates every principle upon which American ideas, American fairness, and American justice are founded. It is legislation virulent and vicious, with all beneficial provisions framed to reach only the few, while its direful and blighting hand of oppressive taxation falls upon the many. The classes are screened, protected, and largely exempted from all the burdens it imposes, while the masses are made to bear the load and responsibility of supporting the Government, and to pay tribute at the same time to those who live, thrive, and grow rich out of the miseries of the people. It establishes a British and brutal policy, and will build up a snobbish aristocracy. It will create trusts, and will protect and defend combinations and destroy honest competition and legal and legitimate trade. It will destroy and not create reciprocity in trade, and drive what few there are left of our American trading vessels from off the seas. It is unchristian and unconstitutional, violates the common law of humanity, and levies taxes with discrimination and in violation of the rules and mandate of the organic law of the land. [Applause.]

It is a measure of pretense and deception. It promises protection to agriculture while it stabs to the heart that great industry of our land. It plants a worthless, rotten fence post of protection at the front door of the homes upon the farm, but at the same time it places a legalized robber and burglar in every house, barn, and granary to pillage, plunder, and purloin the hard earnings of the tillers of the soil. It is cowardly to give 60 per cent of protection to the woolgrower and rob him of 150 per cent upon the finished product he must buy. He may well cry out, "God save me from such friends!"

You tell us that this bill is the key that will open the mills. Of what use will it be, or what benefit will be derived by opening the mills while the pockets of those who would purchase their products are empty? All the mills that have ever been or ever will be opened with the keys of high protective tariff legislation have and will become but mints in which to coin out of the sweat and toil of the employees therein ingots of gold to go into the employers' pockets, while the laborer and his children go hungry and live upon promises and fairy tales of confidence restored and prosperity to come. This bill, in a word, assassinates labor with a legal poignard, for it not only fails to provide a means whereby to buy the products of labor, but still further diminishes their ability to do so. It increases the cost of living and gives in return nothing but stale, mouldy, and often repeated promises of benefits to come.

If you are honest in your asseverations that you desire to protect labor, then so nominate it within the bond. Place the provisions within the bill, and not leave it to the option of the mill owner and manufacturer, for he will, as he ever has done, be unfaithful to his pledges and his promises so soon as you have given into his hands the interest of those who depend upon him for employment. I will gladly vote to fix by law equitable compensation for labor done. I will gladly vote to protect the interest of agriculture and the farmer upon the farm. Give me but such an opportunity. You dare not, for such is not your purpose or design. [Applause.]

I would not charge that all mill owners and manufacturers are oppressors of labor, for, thanks to human kindness, there are men who will do justice to those who toil for them. But I have seen, and the world has seen, too often the lockout, the reduction of wages, and the starvation prices for labor established within the protected institutions. And when men complained, they have been charged with being disturbers and denounced as anarchists and enemies of good government. I have seen, and the world has seen, justice meted out to them, measured in the scales of greedy iniquity, until at last, driven to desperation, they have gone out from the workshops upon the streets to live upon the charity of the people. The blacklist and government by injunction and the bayonet are natural sequences of overprotection to overfostered and legally cherished organized institutions who are not beneficial to government or society, and who are not in harmony with the laws of God or man, but are actuated only by the instincts of greed and avarice. [Applause.]

Let me for a moment appeal to your better natures, to your sense of justice; let me ask you to look upon the rights of human-

ity and not upon the seductive and alluring picture of emblazoned wealth.

Why, in the name of common decency, of justice and equity, are we not permitted to discuss this bill as American Representatives chosen by American constituents? It ought to be a business proposition, and not a measure of reciprocal brigandage. Why close our mouths? Are you afraid that the people will secure some of the rights to which they are entitled if their will and wish shall be made known that the favored classes do not desire or intend they shall have?

We invite, we beseech, you to come out into the open, like honest and brave men, and lay this measure within the sunlight of honest and fair criticism. Do this as fair-minded American citizens chosen as the conservators of the people's rights, and if your bill shall be found to be in the interest of American industries, American labor, American agriculture, and American prosperity, it will receive the indorsement and affirmative vote of every member of the minority upon this floor. [Applause.]

You refuse to grant time to consider the schedules of this measure seriatim. Why? Are you afraid that the putrid, cancerous excrescences, that will eat out the very life of the people, that are hidden within these schedules will be exposed to the public gaze, to condemnation, to ridicule and execration.

We plead for this opportunity, not as obstructionists, but as men willing to aid in a public service for the public good.

You deny this right, the common right of remonstrance against oppression and wrong, and give as your only excuse that the country is suffering from industrial depression, that confidence is dead, that prosperity is languishing and must be restored, and time must not be wasted, but relief given at once. In one sense you are right; the country is suffering, business is prostrate, labor is idle, confidence has taken flight, and prosperity abides not within our land. Worse still, hunger and want are the unwelcome but enforced guests at the fireless hearths of thousands in this land, blessed of God, but accursed by man's perfidy and evil laws.

The country does not suffer for want of higher taxation of the people, but because of overtaxation. Business is prostrated because by your laws and your construction of them you have made all business unprofitable except the business of usury and extortion. Labor is idle because you have stolen from the people, through financial legislation, the means that enabled them to purchase the products of labor. Confidence is destroyed because you have betrayed the confidence of the people; prosperity is dead because you have sapped the very foundations of prosperity and destroyed its life-giving principles by handing over to Wall street the care, culture, and generation of prosperity, and no honest or genuine and general prosperity will ever come to the people when the money power of this and foreign nations controls the actuating means whereby it can be created and conserved. [Applause.]

You need not, you ought not, be in haste in the work of passing this bill. It will bring no relief. It only carries to the people more misery, to business more uncertainty and ruin, to labor less employment.

Higher rates of duty upon imports will do nothing toward lifting this nation and its people out of the slough of despond into which they have been so unnecessarily and ruthlessly plunged. Such a policy will only take from the pockets of the people and add nothing to their comforts or their necessities.

You tell us that you must act speedily and without deliberation because the revenues of the Government are not sufficient to meet the expenses of the nation. Stop squandering the revenues; administer the affairs of government honestly and economically; shut off the leeches of Wall street and the bandits of England from making raids upon the Treasury; give back to the people the constitutional money of the fathers; pay your obligations in the kind of money stipulated and agreed upon within the body of the original contracts. [Applause.]

Compel your Secretary of the Treasury to administer the affairs of his Department according to law and the Constitution. Let him be the servant of the people and not the agent of money brokers, bond sharks, and foreign and domestic bank syndicates, and then your revenues will be sufficient, and then will no longer remain the necessity of erecting the barriers of unjust and discriminating tariff. Open up the channels of legitimate trade with all the world, take down the barred doors from the market houses of the nations, and cultivate reciprocal relations from all sources in legitimate and honest trade. Discourage speculation and spoliation and give us a tariff law based upon common-sense principles.

A tariff for revenue sufficient for all needs of government when the affairs of government are economically administered, and if incidental protection shall follow, none will complain, but peace, contentment, and prosperity will come and remain. [Applause.]

Strong as the defenses of West Point were, even they would have availed nothing had Benedict Arnold succeeded in his plan of introducing within the American line the British foe. Strong now as you may build your tariff walls, England cares not, for she knows that there are still Benedict Arnolds living in America who are

willing that she shall hold the keys to our Treasury that was surrendered to her in 1873. [Applause.]

Gentlemen tell us that they have just come from the people victorious and carrying the indorsement of the people; that they went to the country upon the tariff issue. I do not deny that you were victorious, but I do deny that the people elected you because they desired a higher tariff law. If the truth were known, I believe it would disclose the fact that William Jennings Bryan was elected, and not William McKinley. But be that as it may, we know and the nation knows how you went to the people. You went with polluting and corrupting gold, with intimidation and coercion, with threats, menaces, and the active cooperation of corporations in your work of controlling the suffrages of men who could not and dared not resist you. [Loud applause on the Democratic side.]

You deceived the unsuspecting, purchased the purchasable, frightened the timid, and under threats of discharge from service forced the workmen of the land to give their unwilling support to your ticket.

Your victory was one of shame and infamy, of wrong and outrage upon the free ballot, and now you come in the name of tariff to surrender the people over into the hands of the contributors of your debasing fund, that they may be pillaged to discharge your obligation.

And now, Mr. Chairman, I desire to call the attention of the committee to a few of the schedules in this bill that I know you will not reach and consider in this committee; and I say without hesitancy that you never intended to consider them, but I hope the manhood and common decency of the Senate will lead them to open wide the door of investigation into these nests of iniquity, and if they do you will not recognize the bantling of Dingleyism when it is returned to this House, for honor and fair play will cause them to tear up by the roots and cast to the winds the thorns and thistles planted therein to grow up to plague and wound the common people.

From this floor I ask men in the factories, purchasers of these necessities, to carefully study the following tables until you thoroughly understand them. To the workmen who produce these articles let me say that when this bill becomes a law your employers will again find some pretext upon which to base a cut in your wages; and when they do, I want you to turn to these tables and ask them if it is because they are not sufficiently protected.

Your wages will not be increased; and when you find the promises made to you are not to be kept, turn to these schedules and look your employer in the face and ask him why. To the millions who must buy these articles I would say, examine well into these comparisons, see how carefully and designedly the wealthy are protected, and how flagrantly the poor are robbed. I shall not go exhaustively into the details of the different schedules, and only point out a few samples, not the most flagrant, but enough to show you that the protectionists who framed these schedules were either protection mad or devilish.

I would first direct your attention to the rates of duty on cutlery. All are high, none reasonable, and many absolutely prohibitory. Upon the finer goods within the reach of the rich the rates are the lowest, and upon the cheaper and coarser goods that the people who are poor or in ordinary circumstances must buy the duties are the highest.

Here they are:

Two-blade pocketknives.

Foreign cost per dozen.	War tariff.	McKinley.	Wilson.	Dingley, other than pearl or shell handles.	Dingley, pearl and shell handles.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
\$0.44	50	78	82	250	250
.50	50	140	89	200	200
.60	50	125	82	168	242
.80	50	113	56	145	207
.92	50	104	52	128	183
1.04	50	102	64	116	165
1.16	50	93	60	106	150
1.28	50	80	55	92	138
1.40	50	88	54	92	128
1.50	50	83	52	87	120

Three-blade pocketknives.

Foreign cost per dozen.	War tariff.	McKinley.	Wilson.	Dingley, other than pearl or shell handles.	Dingley, pearl and shell handles.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
\$0.68	50	125	65	241	241
.80	50	113	56	210	210
.92	50	104	52	182	206
1.04	50	102	64	165	187
1.16	50	93	60	150	174
1.28	50	80	55	138	166
1.40	50	88	54	127	161
1.50	50	83	52	120	150

Four-blade pocketknives.

Foreign cost per dozen.	War tariff.	McKinley.	Wilson.	Dingley, other than pearl or shell handles.	Dingley, pearl and shell handles.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
\$0.80	50	113	56	270	270
.92	50	104	52	237	237
1.04	50	102	64	213	285
1.16	50	93	60	193	257
1.28	50	80	56	177	235
1.40	50	88	54	163	216
1.50	50	83	52	153	203

Table knives and forks.

[With rubber, bone, and celluloid handles.]

Foreign cost per dozen.	War tariff.	McKinley.	Wilson.	Dingley.
	Per cent.	Per cent.	Per cent.	Per cent.
\$0.42	35	55	35	137
.54	35	50	35	129
.66	35	45	35	105
.80	35	42	35	90
1.00	35	40	35	75
1.24	35	37	35	63
1.48	35	34	35	55
1.72	35	30	35	50

Table knives and forks.

[With stag handles.]

Foreign cost per dozen.	War tariff.	McKinley.	Wilson.	Dingley.
	Per cent.	Per cent.	Per cent.	Per cent.
\$0.42	35	55	35	135
.54	35	50	35	120
.66	35	45	35	105
.80	35	42	35	90
1.00	35	40	35	75
1.24	35	37	35	63
1.48	35	34	35	55
1.72	35	30	35	50

Table knives and forks.

[With ivory or pearl handles.]

Foreign cost per dozen.	War tariff.	McKinley.	Wilson.	Dingley.
	Per cent.	Per cent.	Per cent.	Per cent.
\$1.48	35	53	35	145
1.72	35	50	35	132
1.96	35	48	35	118
2.44	35	46	35	95
2.92	35	44	35	81
4.00	35	35	35	63
5.00	35	50	45	53
6.00	35	47	45	47

Stag carving knives and forks.

Foreign cost per dozen.	War tariff.	McKinley.	Wilson.	Dingley.
	Per cent.	Per cent.	Per cent.	Per cent.
\$0.15	35	138	35	175
.24	35	100	35	115
.36	35	75	35	80
.48	35	65	35	65
.60	35	58	35	55
.72	35	50	35	50
.84	35	42	35	45
.96	35	35	35	45

Scissors and shears.

Foreign cost per dozen.	War tariff.	McKinley.	Wilson.	Dingley.
	Per cent.	Per cent.	Per cent.	Per cent.
\$0.24	35	45	45	* 225
.30	35	45	45	* 155
.48	35	45	45	* 120
.60	35	45	45	* 90
.72	35	45	45	* 83
.84	35	45	45	* 75
.96	35	45	45	* 67
1.08	35	45	45	61
1.20	35	45	45	57
1.32	35	45	45	53
1.44	35	45	45	50
1.66	35	45	45	45

\* Over 80 per cent of all scissors imported are in these classes.

Razors.

Foreign cost per dozen.	War tariff to 1894.	Tariff, 1894 to 1900.	McKinley.	Wilson.	Dingley.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
\$0.72	35	50	170	45	154
.96	35	50	134	45	120
1.20	35	50	113	45	98
1.44	35	50	100	45	85
1.68	35	50	90	45	75
1.92	35	50	82	45	67
2.16	35	50	76	45	61
2.40	35	50	72	45	57
2.64	35	50	68	45	53
2.88	35	50	65	44	50
3.12	35	50	60	45	47
3.36	35	50	55	45	43
3.60	35	50	50	45	40
3.84	35	50	45	45	37
4.08	35	50	40	45	34
4.32	35	50	35	45	31
4.56	35	50	30	45	28



## Breech-loading guns.

Foreign cost.	Wartariff.	McKinley.	Wilson.	Dingley.
	Per cent.	Per cent.	Per cent.	Per cent.
\$3.00	35	77	80	*63
4.30	35	77	80	*68
4.70	35	67	80	*58
5.30	35	65	80	*54
5.60	35	62	80	*53
6.10	35	100	80	†100
7.50	35	83	80	†88
8.00	35	85	80	†85
10.00	35	75	80	†75
12.50	35	85	80	†85

\* These cheap guns are not made in this country.

† This class is made in this country, and has been made for years, under a 35 per cent tariff.

And now, Mr. Chairman, I wish to call attention to a job lot of protection insanity in glassware. Here is where the banks overflow and protection reaches high tide:

## GLASSWARE.

## Seven-inch opal shades.

	Cents per dozen.
Selling price at factory abroad	30
Value of case	6
Packing and strapping	4
Freight from factory to seaport	4.30
Expenses and insurance	1.20
Ocean freight	8.50
Duty, 40 per cent ad valorem on 30 cents	12

Total cost 56

Protection, 180 per cent.

## Ten-inch opal shades.

	Cents per dozen.
Selling price at factory abroad	53.50
Value of case	13.20
Packing and strapping	5.80
Freight from factory to seaport	9.60
Expenses and insurance	2.40
Ocean freight	13
Duty, 40 per cent ad valorem on 72 cents	28

Total cost 125

Protection, 112 per cent.

## Student chimneys.

	Cents per dozen.
Selling price at factory abroad	5.50
Value of case	1
Packing, strapping, and papering	1.70
Freight from factory to seaport	1.10
Expenses and insurance	.30
Ocean freight	1.50
Duty, 40 per cent ad valorem on 8.30 cents	3.50

Total cost 14.60

Protection, 140 per cent.

## Night-lamp chimney (nutmeg).

	Cents per dozen.
Selling price at factory abroad	2.80
Value of case	.24
Packing and strapping	.24
Freight from factory to seaport	.24
Expenses and insurance	.12
Ocean freight	.50
Duty, 40 per cent ad valorem on 3.28 cents	1.32

Total cost 5.60

Protection, 100 per cent.

## Silver vases.

	Per case.
Selling price at factory abroad	\$10.80
Value of case	2.80
Freight from factory to seaport	2.80
Insurance	.30
Ocean freight	4.00
Duty	4.30

Total cost 25.00

Protection, 150 per cent.

## Cuspidors (chinaware).

	Per case.
Selling price at factory abroad	\$12.40
Value of case	2.80
Freight from factory to seaport	2.00
Insurance	.36
Ocean freight	1.75
Duty	4.35

Total cost 23.66

Protection, 96 per cent.

I can not refrain at this point from submitting to the committee a communication received by one of the members of the Ways and Means Committee, and which ought to have challenged their attention and appealed to their reason, but reason was dethroned and mad folly ruled in place thereof. In referring to the rates on floor matting, jute carpets, and oilcloths, the gentleman writing to the committee sent this communication.

BALTIMORE, March 19, 1897.

DEAR SIR: If you are making notes of the effect of the proposed tariff on household requirements of low square-yard cost, found more or less in every household, the following is submitted relative to Schedule J:

Floor matting, now selling throughout this country at 3¢ cents to 30 cents per square yard, costing in China and Japan, packed ready for shipment, at present rate of exchange, from 4 cents to 25 cents per square yard:

Proposed duty (paragraph 332): Up to 10 cents per yard in value, 8 cents per square yard; above 10 cents per yard in value, 8 cents and 25 per cent ad valorem.

This is equivalent to 200 per cent ad valorem on lowest grades, and but 55 per cent on the highest grades.

Fully 80 per cent of all imported cost less than 10 cents per yard.

It is practically prohibitory and will seriously interfere with the freights homeward of the American sailing ships carrying case oil to the far East. (See particulars inclosed.)

It has heretofore been taxed as follows: 1874, 30 per cent ad valorem; 1883, 20 per cent ad valorem; 1890 and 1894, free.

The article is not manufactured in this country.

Carpets of jute, now selling throughout this country at 7 cents to \$1 per square yard, costing in Calcutta, India, and Japan, at present rate of exchange, from 5 cents to 70 cents per square yard, United States gold:

Proposed duty (paragraph 333): If valued at 30 cents or less per square yard, 6 cents per square yard and 35 per cent ad valorem; if valued above 30 cents per square yard, 12 cents per square yard and 40 per cent ad valorem.

This is equivalent to 150 per cent on lowest grade, and but 55 per cent on the highest grades, used by the wealthy. They have heretofore been taxed as follows: 1883, 6 cents per square yard; 1890, 6 cents per square yard; 1894, 20 per cent ad valorem.

The fiber jute out of which the above are made is to continue on the free list, where the act of 1890 placed it. (See paragraph 540.) In 1883 it was dutiable at 20 per cent ad valorem.

Oilcloth for floors, and linoleum, an improved floor cloth, now selling throughout this country for 12¢ cents to 30 cents per square yard for the former and from 17¢ cents upward per square yard for the latter, used to cover floors, wholly or partially, under washstands, stoves, and furniture, to more or less extent in every home; and oilcloths on cotton backs, known as table and shelf oilcloths, and imitation-leather cloth, in wide and general use wherever a waterproof cloth, like or unlike leather, is wanted, selling now from 10 cents to 15 cents per square yard for the grades in wide and general use, the duty proposed is, viz (paragraph 336):

Oilcloth for floors, etc., 10 cents per square yard and 15 per cent. This is equivalent to 110 per cent on the cheapest printed oil floor cloth and 80 per cent on the cheapest printed linoleums.

Imitad linoleums and cork carpets are provided for in the same paragraph at 30 cents per square yard and 20 per cent ad valorem, equivalent to 45 to 50 per cent ad valorem. These are high-cost floor coverings used by the well-to-do.

Waterproof cloth, i. e., table, shelf, and imitation leather (cotton back) cloth, it is proposed to tax 10 cents per square yard and 20 per cent ad valorem, the equivalent of 120 per cent, on the grades found in every household, to some extent and in some shape, throughout the land.

The duty has been and is now as follows:

1874, valued at 50 cents or less per square yard, 35 per cent ad valorem; valued above 50 cents, 45 per cent ad valorem.

1883, 40 per cent ad valorem.

1890, valued at 25 cents or less, 40 per cent ad valorem; valued above 25 cents, 15 cents per square yard and 30 per cent ad valorem.

1894, valued at 25 cents or less, 25 per cent ad valorem; valued above 25 cents, 40 per cent ad valorem.

No cotton-back oilcloths whatever are imported. There are about ten manufacturers in the United States.

For full particulars of the existing trust, see accounts herewith.

Respectfully submitted.

LYON BROS. & CO.

HON. BENTON McMILLIN.

Shipments of straw mattings from Hongkong to Atlantic coast ports of the United States during the shipping season, from May 1 to January 1, 1897, were 417,775 rolls, or about 60,000 tons, on which the average freight rate paid was \$4, United States gold, per ton. This quantity was transported as follows:

1 Hawaiian ship, about 2½ per cent, or 1,000 tons, earning about \$6,000.

12 British steamers, about 17½ per cent, or 10,500 tons, earning about \$12,000.

23 American ships, about 80 per cent, or 48,000 tons, earning about \$192,000.

The above figures approximately represent also the business done in the same article from Kobe and Nagasaki, Japan, to Atlantic ports, the entire business from both countries amounting to about 800,000 rolls, in round numbers.

As is well known, the China and Japan trade is now about the only thing left for the old guard of American deep-water ships which look to straw mattings for at least two-thirds of their homeward cargo, some ships loading nothing else.

A prohibitive tariff on straw mattings would sacrifice this fleet to the greed of American manufacturers of cheap carpets. And this, too, at a time when we are looking about for ways and means of upbuilding our commercial marine instead of destroying it, as this contemplated legislation will surely do.

This most clearly demonstrates the object, purpose, and design of Mr. Dingley and his conferees in placing the rates of duty now in his bill upon floor mattings, jute carpets, and oilcloths. It was to prohibit importations of these articles and place the people at the mercy of the carpet manufacturers of New England.

Schedule after schedule, as they fall under the scrutiny of honest examination, arouses our amazement and indignation and makes us wonder how long it will be under this class of legislation ere our ports are sealed and we will go to the level of the Chinese decades ago.

This sectional, greedy, grasping policy of tariff legislation can but produce in America at last, deserts of our fair and fertile lands, financial ruin and social degeneration. The mighty productive interests of the United States are, as all know, grain and cotton. And those who toil in the fields to produce these have been heretofore taxed without mercy, and now comes the climax in this measure, and they will be taxed, robbed, and despoiled to a greater extent than any people ever were in any government, free or monarchical, since governments began. I say to the farmers of my own great State and the South and great West, beware of the wool-schedule of this bill of deception; it is a pitfall for your hopes, and under its provisions no permanent good can come to you. Temporarily

it may raise the price of wool, but contained within its provisions is the deadly upas of high, most monstrously high, rates upon finished products necessary to your comfort, your health, and your life, that will steal away the little it gives you and leave you despoiled and despairing in the end. [Applause.]

I cherish the hope and belief that this bill can never become a law, for I believe the second, sober thought will come to you who now so heedlessly push on and forward this element of our nation's destruction. Somewhere and at some hour before this session of Congress shall close the statesman will arise and put aside the carping politician. Upon the other side of this Chamber I know there are good and true men who love their country and the people. Now they sit mute and silent, condemning within the very heart of their reason and judgment this menace to justice and liberty. The lash of party discipline and the rules of steel hold them fast, but their humanity and sense of justice will break forth at last, and they will speak for the people and their interests.

I congratulate the American people that the rules of this House, far-reaching as they are, do not pass the doors of the Senate of the United States. There, at least, the voice of the people may yet be heard, and the Americanism of that body will cause at least a modification of this measure. And they will send it back to you so changed as to leave hope at least for the people. If they do not, then I warn you to beware of the wrath of the people.

Elections by syndicates, followed by a carnival of criminally unjust taxation, will destroy the patriotism of the people and in its stead will arise horrid discontent, and at last will come a revolt only to be stayed by military power. [Applause.]

You are taking from every family in the United States an average of \$30 per annum by direct appropriations of Congress, and you squander much of it recklessly and uselessly. This bill, if you enact it into a law, will take indirectly a much larger sum to go into the pockets of protected plutocrats.

How much do you think the people can stand? I would lose confidence in the bravery, the courage, and manhood of the American people if they would supinely bow and receive this scorpion lash of taxation. Already the mutterings of disapproval of your course can be heard, and I predict that when the voters within this Government can again reach the polls they will put the seal of their condemnation upon your folly by repudiating you and your party. So, at least, they ought to do, and so I believe they will do.

What a blackened page in the history of our land will this bill leave if it becomes a law—this conspiracy against the peace, the comfort, and the prosperity of the people, their homes, and their families! Compare it with the law to tax incomes, and it will create wonder and amazement. It has been declared that the right to tax the incomes of the rich, the millionaire, and those who have grown wealthy by favoritism, is unconstitutional. If that be true, then what ought this bill to be declared? It should be declared "A covenant with death and a league with hell." Sugar, clothing, medicines, lumber, and the very necessities to man's existence are arranged in order and taxed to the limit that human ingenuity can devise, and gentlemen on the other side of this House cry out, Amen! [Applause.]

For revenue you can rob by law, under the Constitution, the poor and toiling millions, but for revenue you can not touch the hoarded gold of the extortionate usurer and aristocrat. Such constitutional provision, if it exist, should exist no longer.

If that be part of our organic law, then it should be eradicated ere it brings our nation to ruin and extinction. [Applause.]

Mr. Chairman, an examination of the recapitulation made by the Committee of Ways and Means, and which we are bound to accept as the best showing they can make, discloses the fact that the Dingley law will average in all the schedules except, perhaps, Schedule C, metals and manufactures, in equivalent ad valorem rates higher than the war tariff of MORRILL, higher than the McKinley bill, and far reaching above the Wilson bill.

I submit the following comparisons of equivalent ad valorem rates in per cent, taken from the committee's recapitulation, leaving out comparisons of dutiable value of merchandise and estimates upon revenues:

Schedule.	McKinley bill.	Wilson bill.	Dingley bill.
	Per cent.	Per cent.	Per cent.
A.....	31.07	27.99	31.33
B.....	51.20	35	52.62
C.....	57.21	37.58	45.62
D.....	14.94	22.87	16.58
E.....	14.55	40.94	71.10
F.....	117.82	109.06	164.05
G.....	33.17	23.28	39.94
H.....	69.78	61.54	77.01
I.....	55.25	43.75	54.14
J.....	43.68	40.39	49.52
K.....	80.50	47.62	81.57
L.....	53.56	46.90	53.89
M.....	23.85	22.18	29.82
N.....	26.06	23.65	30.57

This ought to startle the people and arouse them to a realization of what is being done to their detriment by their professed friends. In time of profound peace, war rates of duties and taxation outdone and overreached!

In time of financial distress more money demanded from the people. With markets ruined, homes mortgaged, and millions idle, the bitter cup of additional sorrow is pressed to the lips of the people by this bill.

The people ask for bread; you give them stones. May the God of our fathers protect this nation. May reason return to you, the despoilers of the people. And may the places upon this floor that know you now soon know you no more forever. [Prolonged applause on the Democratic side.]

### The Tariff.

### SPEECH

OF

HON. GEORGE EDMUND FOSS,

OF ILLINOIS.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 359) to provide revenue for the Government and to encourage the industries of the United States—

Mr. FOSS said:

Mr. CHAIRMAN: There is one feature of the bill now under consideration which is attracting a great deal of attention throughout the country and is the subject of much adverse criticism, and that is the proposed tariff upon books, engravings, maps, charts, etc., which shall have been printed more than twenty years at the date of importation, and also books, etc., printed exclusively in languages other than English, as well as books, etc., imported in good faith for the use of educational, philosophical, and literary societies, colleges, schools, seminaries, and public libraries.

I have the honor of representing a district in which schools, seminaries, and higher institutions of learning greatly abound. In the beautiful city of Evanston lies the Northwestern University, which ranks among the leading educational institutions of the country. A few miles above is the Lake Forest University, a growing seat of learning, which is doing inestimable good for the cause of higher education. In fact, scattered all over my district are innumerable schools and seminaries where the young men and women are learning the lessons of true American citizenship.

From all these sources have come strong protests against the proposed tax upon books, maps, etc., used for educational purposes.

In my judgment we can ill afford at this time or at any time to place what might be considered a tariff upon education. Strong as may be the necessity for more revenue for governmental needs, yet it is not so strong as to justify a proposition of this kind. The Republican party from its beginnings has always favored the largest opportunities for the enlightenment of the people. In a Republic like ours, where each citizen is a sovereign, national education is and always will be the bulwark of national safety and national defense. For just as true as a stream can never rise higher than its source, so true will our nation never be better or stronger than the intelligence, character, and virtue of its citizens.

I beg herewith to submit a very able and exhaustive letter from Messrs. A. C. McClurg & Co., one of the largest publishing houses in the country:

CHICAGO, March 20, 1897.

DEAR SIR: In your responsible position as representing the interests of the people of the State of Illinois, we desire to call your attention to an omission in the proposed new tariff law that is a very important one, and we must think, quite unintentional.

Both the Wilson tariff now in force and the McKinley tariff preceding it provided that three classes of books should be on the free list. These were, roughly speaking:

1. Books which had been printed more than twenty years.
2. Books printed in other languages than English.
3. Books imported in good faith for State and public libraries.

(Tariff act of August 28, 1894, sections 410, 411, 413.)

The proposed new tariff, if newspaper reports and others are to be believed, omits these three classes of exemptions, and we think the matter is of such general importance and interest as to make it worthy of the serious and earnest attention of the people's representatives in Congress. We shall have to admit frankly that as importers our interests are naturally opposed to provisions which tend to restrict the volume of importation. As manufacturers and publishers of American books, however, we are in a position to be keenly sensitive to all influences affecting the American production and the American producer of books, so that perhaps our testimony in a matter like the present is entitled to some weight.

The tariff law, we presume, is framed with two main objects in view—the production of revenue for the National Government and the protection of the American manufacturer. The production and dissemination of books, however, is a matter so vitally important and deserves to be so encouraged by all enlightened governments that as few restrictions should be thrown around the industry as possible. We take it to be a fundamental principle underlying all civilized educational legislation that the widest possible circulation should be given to learning and knowledge. To restrict the book trade,



therefore, for the sole purpose of supplying revenue for the Government, we think would be universally recognized as unwise legislation.

In considering the three classes of books mentioned on the first page of this letter, therefore, we shall assume that the proposed new tariff, if it did not strike them from the former free list by mistake, considered that a tax on them would benefit the American producer.

1. Books which have been printed more than twenty years can hardly be said to be in need of protection, as it seems to us. There is no American industry engaged in making twenty-year-old books. If a book which has been in print for twenty years has not enough inherent merit and vitality to retain its hold on the public, no legislation can help it. If a foreign book is very successful either it will have been copyrighted in this country also, making it practically an American book, or else it will, soon after issue, be imported notwithstanding the duty. In the former case the American manufacturer is not protected; in the latter only partially so. After the book has been on the English market for twenty years, however, it is hardly possible to imagine how a duty upon it could be of any benefit to American authors and publishers. We think the proposed omission of such books from the free list of the new tariff must clearly be a mistake.

2. Books printed in other language than English.  
This country does not assume to produce foreign books or books in foreign languages. Our national policy, in fact, distinctly discourages such production. In most of our States it is considered wise public policy to limit public-school instruction to the English language, stimulating recent residents and the children of foreign-born citizens by every possible means to acquire rapidly the English speech and republican habits of expression and thought. There is no American industry of producing foreign books, and we should not want one.

On the other hand, many of the finest scientific works in the world are being constantly issued abroad in foreign tongues. Our own scientists want them and must have them in order to keep abreast of the times and acquire inspirations and suggestions for new discoveries of their own. It would be notably bad policy to tax such books and restrict their importation merely to add a few dollars to the National Treasury. It would surely be a mistake to take these books off the free list.

3. Books imported in good faith for State and public libraries.  
This provision applies to all books of every kind. We aim to make all knowledge open to our citizens by the maintenance of a public-school system and a public-library system throughout the Union. Shall we take money out of one pocket to put it into the other? These libraries are maintained at public expense. Every penny of tax paid by them on imported books comes out of the public pocket. On what ground can a tax on such institutions be justified? Many of these institutions, as we are in a position ourselves to know, are hampered by lack of sufficient funds. The imposing of the proposed tax would seriously impair their purchasing ability. We venture to predict that such a provision as proposed by the new law would cut off two-thirds of the importations by libraries in this State, and thus deprive the struggling, hard-working, studious reading classes of our community of part of that knowledge which they have learned to prize as one of their most valued privileges.

The foreign importations by libraries in this State are very small in amount at most, speaking comparatively, and when diminished, as we think they must be, under the proposed new provision, they would yield but a very insignificant revenue to the national coffers. Surely it was not for revenue that such books were to be taken off the free list, but it must have been an unintentional mistake.

We have no doubt that other considerations will occur to your mind, as they will to most thinking and educated men, bearing on the same question. Publishers and importers of books everywhere throughout the country will undoubtedly scrutinize the provisions of the proposed new tariff in this same regard and present their criticisms to their Representatives in a similar way. As one of the largest—perhaps the largest—establishments of the kind in the West, we take it upon ourselves to speak for the trade, and we venture to hope that your personal knowledge of our house, as well as the intrinsic and obvious general importance of the matter urged, will bespeak your earnest consideration of the matter herein presented and induce you to impress upon the proper committee and urge upon Congress the restoration of the three classes of books which we have mentioned to the free list of the new tariff. With great confidence in the ability and earnest desire of our Illinois Representatives to exert their influence in every possible way for the best interests of our people, we remain,

Very sincerely and respectfully, yours,

A. C. McCLURG & CO.

Hon. GEORGE E. FOSS,  
House of Representatives, Washington, D. C.

### Our Tariff and Our Trouble.

The malady: Want of funds and lack of faith.

The remedy: Greater confidence and more cash.

To deprive the Federal Government of the means of maintaining gold payments and preserving the parity of all our money and relegate those important and responsible functions to private banking institutions would be full of peril to our monetary standard and a serious and constant menace to our financial interests.

### SPEECH

OF

HON. MARRIOTT BROSIUS,  
OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897,

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. BROSIUS said:

Mr. CHAIRMAN: No one feature of this discussion impresses me so much as its amplitude. The tariff bill has been used as a John Doe or Richard Roe to introduce into court and to the country an interesting variety of subjects, all having in the view of their proponents some relation to the existing financial and industrial situation, but which bear very remotely, if at all, on the question

of revenue. Any light that can be thrown upon the cause or the cure of the distresses we have suffered during the last four years ought to be welcomed by every lover of his country. That the money question is a part of the general situation is quite true, and a betterment of the monetary conditions may fairly be included in the curative possibilities claimed by the advocates of the various schemes suggested by the wise and otherwise doctors who are prescribing for the patient. That the opportunity for a "free-for-all" debate afforded by the special order under which we are proceeding has invited some discussion of the vexed question of our currency and its relation to government and to banks is my excuse for submitting some reflections in opposition to the views of some who have proposed remedies, it seems to me, without a very comprehensive understanding either of the nature of the malady or of the effects of the medicine; so that I am apprehensive, if some of the prescriptions should be administered, that the patient will be sure to die either of the disease or the remedy.

Many of the complaints made against our national banking system, the best in a general way the wit of man ever devised for a country like ours, are so grotesque as to be amusing, and if collected, would constitute a rare cabinet of curios. They, indeed, rival the famous strictures of Tooke, one of the most noted economists of his time, on the Bank of England. In his great work on the History of Prices he said: "The Bank of England is one of the most wanton, ill-advised, pedantic, and rash pieces of legislation that has ever come under my observation." But nobody in England believed him. Some of the criticisms it is the fashion to make in these days have as much to commend them as the celebrated complaint of Sydney Smith against the solar system when he said to his friend Jeffrey, "D—n the solar system; bad light; planets too distant; pestered with comets; feeble contrivance; could make a better with ease."

#### THE NATURE OF OUR TROUBLES.

The first requisite to rational discussion of the question is an understanding of the nature of the existing situation. Our troubles flow from no visitation of Providence; not from famine or pestilence or war, nor from any external public calamity. They spring entirely from unwise interferences by legislation and administration with approved institutions, which by their beneficent results in the past have established their title to the acceptance of the American people. We have suffered from two causes, want of funds and lack of faith; the remedy is greater confidence and more cash.

By increasing the volume of our paper money through the purchase of a large amount of silver bullion on a constantly falling market and issuing therefor Treasury notes which became a gold liability until it ceased to be apparent how the Government could keep its pledge to maintain the parity of all our money, the public confidence at home and abroad became impaired, and serious suspicion was cast upon our ability to maintain the gold standard and meet all our obligations in the money in which they were contracted. This apprehension increased as the free-coinage propaganda advanced, until the fear that we might at any moment fall to a silver basis caused a general stoppage in business, money sought hiding places rather than goods, and industrial depression settled like a fog bank upon the country.

In the second place, the last Administration, "Democracy triumphant," by curtailing customs duties disordered our revenues, diminished our receipts, produced alarming and continuous deficits, and brought the whole business of the country into confusion and dismay, transforming the fog banks into lowering clouds and pouring rains.

#### THE REMEDY.

This is the nature of our maladies, and they will yield to rational, wise, and patriotic treatment. We have but to do the right thing, say the right word, and we are healed. The first thing is to provide adequate revenue. That requires legislation. The next thing is to make it clear to the apprehension of every American citizen and every nation having fiscal relations with us that we are firmly intrenched in the existing monetary standard, where we have been practically for sixty years, and where all the great nations of the Christian world are to-day, and that we intend to remain there until by the cooperation of the leading commercial countries we can secure real bimetalism without danger to our monetary system.

This done, confidence will be restored; money will come from its hiding places, as it has been doing rapidly in the last few months, and seek investments; business will begin to move; labor will be employed; capital will put itself in motion; prices will rise; prosperity will return; happiness once more will run singing with the plow and the loom, and the music of content gladden the homes of American labor. The mighty industries of America, which have been locked in the paralysis of fear, stricken with the blight of triumphant Democracy, will rise regenerated and leap like athletes into the arena of activity the moment the people of the United States utter the word which will allay public alarm and restore public confidence.

When the Republican party, with the wand of American protection and sound money, smites the rock of the customs and unfetters the limbs of enterprise, abundant streams of revenue will gush forth to replenish our Treasury and of wealth to gladden the hearts and swell the depleted purses of our people. From this point of view it is very obvious that the present measure or some other that will secure revenue is pressing with extreme urgency upon Congress and will not admit of unnecessary delay in being enacted into law. This proposition needs no discussion.

#### VARIETY OF REMEDIES PROPOSED.

In the field of financial legislation there is great danger of stumbling unless we proceed with great caution, and my purpose is to admonish the swift-footed against the danger of speed on an insecure roadway. It is said we can not have prosperity until our finances are readjusted and our currency reformed. This generality is unsatisfactory because it conveys no information of the character and extent of the defects which need readjustment and reformation. What the statement means depends on who utters it. To some it means the abolition of our national-banking system and the reestablishment of State banks. To others it means the free coinage of silver at the ratio of 16 to 1. To still others it means the cancellation of our greenbacks and the substitution of bank paper issued against the assets of the banks, or, in other words, an unsecured currency. Each class, knowing the power of a shibboleth, has a short mode of expressing the cause it champions. For example, that of the State-bank class is, "Local currency, and plenty of it;" that of the free-coinage class is, "The money of the Constitution;" and that of the class advocating the abolition of the greenback and a credit currency is, "Take the Government out of the banking business." These watchwords seem to me to be equally destitute of warrant in reason and common sense, and can have no higher function than to "gull gudgeons."

#### A WIND INSTRUMENT.

I repeat to-day what I said on a former occasion, because the lapse of time has strengthened my conviction of its truth, that the money question resembles a wind instrument into which many people—not here, but elsewhere—empty their lungs instead of their brains. Each perforation of the instrument stands for a distinct note, and the variety of expression is only limited by the length of the scale. The quality of the music covers the whole gamut, from a comic song to a divine symphony, from the unintelligible gibberish of the untutored mind to the articulate utterance of superior reason.

The distinct admonition which such a situation conveys is that we should move cautiously in legislation on the currency question until we arrive at some degree of unity on the subject. As much as can be said of the Banking and Currency Committee of the Fifty-fourth Congress is that its members succeeded by dint of strenuous exertion in dwelling together in love and mutiny. And that is about the situation among bankers and financiers throughout the country. At this very moment the pendulum of opinion on the vexed question swings over an unusually long arc. Some of us happily occupy the middle ground which ought to be the rock of reconciliation on which men of "sweet reasonableness" can embrace, and we are urging legislative measures that are moderate, safe, and conservative; perfectly innocuous, incapable of harm, and calculated to relieve to some extent the lack of available currency in some sections of the country.

#### SAFE MEASURES.

There ought to be unity among us in support of amendments to the national banking act to authorize, first, the institution of banks on smaller capital; second, to issue circulation to the par of bonds deposited; third, to reduce the tax on bank-note issues to the amount necessary to defray the expenses of the Comptroller's office; fourth, when necessary, the use of other than Government bonds to secure circulation; fifth, to reenforce the gold reserve by utilizing the idle silver in the vaults of the Treasury for that purpose, using it at its gold value. I have at different times introduced bills providing these simple remedies. If enacted into law, they would enable the banks to be more serviceable to the people without in any way endangering the safety of our currency, and at the same time would help to restore confidence by strengthening the reserve, and yet they meet with disfavor in some quarters.

#### OPINIONS DIFFER.

The fact is, as General Rosecrans once said to a captain who had lost his regiment, "You can go in anywhere, as there is beautiful fighting all along the line."

Indeed, the fierceness of the struggle, the intensity of feeling it produces, and the minds that lose their balance in the fray give some color to the observation of Sydney Smith, that currency and exchange, next to love and religion, fill our lunatic asylums. And singularly enough, the bankers themselves are quite as much at variance in their views as others, giving some color to the state-

ment of Mr. Conant, in his History of Modern Banking, a statement in which I do not acquiesce, that bankers seem to know less about the science of money than anybody else. This view has the support of Mr. Juglar, who says: "There is always something which blinds those who are in the best place to see." So the committee appointed to inquire into the causes of the unfavorable exchange in England, and who made the celebrated bullion report of 1810, arrived at conclusions quite adverse to the opinions of English bankers.

#### EVOLUTION OF OPINION ON BANKS.

That there is some contrariety of view on the subject is not remarkable. It has always been so. The fluctuations of opinion in the United States on the subject of banks constitute an interesting chapter in American history. In 1803, in Vermont, two bank acts were vetoed on the ground that banks demoralized the people by gambling. In 1811 a writer on the subject said:

Think of the locusts of Egypt. These were to the people exactly what the banks are to the farmers.

In 1821 the constitution of New York was amended, requiring a two-thirds vote of the legislature to charter a bank. The woes which banks were supposed to bring to the people were so burdensome in some States that they sought relief by renouncing them altogether. Sumner says, in 1852, that there were no banks in Florida, Texas, Arkansas, Illinois, Missouri, Iowa, Minnesota, Oregon, California, and the District of Columbia.

But the conduct of banking institutions in our earlier history may have justified the disfavor in which they were held by many people. They were sometimes oppressive, secret in their operations, rude and despotic in their treatment of customers. The Hartford Bank had this rule:

Whatever passes in this bank is not to be spoken of at any other place.

Banks were often secret societies, and people took alarm lest these institutions would sweep away their liberties. Many evils doubtless were charged to banks for which they were in no way responsible. People were extravagant and contracted debts imprudently then as now and banks were blamed. Nicholas Biddle, replying to the popular complaints of the banks, said:

The bank can not erect itself into a special providence to modify the laws of nature and to declare that the ordinary fate of the heedless and improvident shall not be applied to the United States.

Nowadays there is a complaint, and a just one in some sections, that the farmers have not adequate banking accommodations; but in 1849 the governor of South Carolina said it was an injury to an agricultural community to afford too many banking facilities, that the more numerous and difficult the obstacles in the way of obtaining bank accommodations by that class the greater their contentment and the more certain their success in their vocation. Banks were quite apt, also, to abuse the issuing function, to the great loss of note holders. Issuing notes was regarded as the chief function of banks. This was so even as late as the time of Webster, who, it is said, propounded this conundrum: "What is that without which an institution is not a bank?" The answer was, "The power to issue promissory notes."

The evolution of the years in banking sentiment has left these primitive notions far behind, and our idea of a bank and its uses is quite different from that our fathers held. It is a long reach of development in the mechanism of exchange from the time when in Tennessee, according to the statement of Senator White in the Senate in 1838, the salaries of governor, chief justice, and other great officers were paid in deerskins and those of inferior officers in raccoon skins, and when the tax collectors cheated the treasurer, who was not an expert in skins, by putting raccoon tails on opossum skins and paying them as raccoon skins. Under the present national-bank régime we have witnessed the financial miracle that in the \$2,000,000,000 issued since 1863 no note holder ever lost a farthing. So that the debate now is not whether banks shall or shall not be established, but rather how shall they be established and regulated to make them most useful.

#### BANKING CONDITIONS.

The conditions under which banking was carried on prior to the war were so dissimilar to those now existing that it is not possible to reason from one to the other. I have taken the trouble to compile some figures showing the condition of banks in the several States in the year 1862, which I will incorporate in my remarks at this point that they may be available to those desiring to compare them with the corresponding figures of recent years, which are easily accessible.

Condition of banks in the United States in 1862.

MAINE.			
Capital.....	\$7,083,000	Loans and discounts.....	\$13,658,172
Circulation.....	8,488,478	Specie.....	747,145
Deposits.....	5,000,000		



NEW HAMPSHIRE.				FLORIDA.			
Capital.....	\$4,678,700	Loans and discounts.....	\$8,742,668	Capital.....	\$425,000	Loans.....	\$430,232
Circulation.....	4,192,434	Specie.....	356,936	Circulation.....	116,250	Stocks.....	125,000
Deposits.....	1,052,436	Securities held.....	2,124,233	Deposits.....	108,606	Specie.....	53,071
Had \$335,066 deposits in Boston banks for redemption of bills in 1836.				ALABAMA.			
VERMONT.				Capital.....	\$4,976,000	Loans.....	\$10,934,060
Capital.....	\$3,911,000	Loans and discounts.....	\$3,378,522	Circulation.....	5,055,222	Stocks.....	555,826
Circulation.....	5,621,851	Specie.....	216,450	Deposits.....	3,435,685	Specie.....	2,715,120
Deposits.....	925,027			LOUISIANA.			
MASSACHUSETTS.				Capital.....	\$17,388,166	Loans.....	\$16,225,533
Capital.....	\$67,544,200	Loans and discounts.....	\$108,911,716	Circulation.....	8,876,519	Specie.....	8,806,080
Circulation.....	20,719,151	Specie.....	7,041,434	Deposits.....	5,810,251	Stocks.....	3,607,361
Deposits.....	27,082,871			TENNESSEE.			
RHODE ISLAND.				Capital.....	\$3,561,700	Loans.....	\$4,830,922
Capital.....	\$20,860,129	Loans and discounts.....	\$30,579,988	Circulation.....	4,540,906	Stocks.....	1,736,801
Circulation.....	16,413,404	Specie.....	606,370	Deposits.....	1,125,633	Specie.....	63,226
Deposits.....	5,413,404			KENTUCKY.			
CONNECTICUT.				Capital.....	\$13,453,366	Loans.....	\$15,361,666
Capital.....	\$21,840,148	Capital (1837).....	\$8,744,667	Circulation.....	7,405,015	Specie.....	5,991,015
Circulation.....	12,850,358	Circulation (1851).....	3,998,325	Deposits.....	4,369,218	Stocks.....	2,343,360
Deposits.....	9,573,074	Deposits (1854).....	4,863,343	MISSOURI.			
Loans and discounts.....	29,873,190	Loans and discounts (1837).....	13,246,945	Capital.....	\$11,086,300	Loans.....	\$7,334,138
Securities.....	6,594,462			Circulation.....	4,528,381	Specie.....	3,666,017
NEW YORK.				Deposits.....	3,434,262	State bonds.....	1,265,813
Capital.....	\$108,606,062	Securities.....	\$36,377,021	ILLINOIS.			
Circulation.....	39,182,836	Capital (1853).....	73,183,251	Capital.....	\$780,385	Deposits.....	\$807,763
Deposits.....	191,537,897	Circulation (1853).....	43,958,446	Circulation against above	661,201	Loans.....	540,876
Loans and discounts.....	178,922,530			Capital.....	6,750,745	Stocks.....	12,354,580
NEW JERSEY.				Circulation.....	11,010,837	Specie.....	302,905
Capital.....	\$8,020,262	Loans and discounts.....	\$14,089,630	OHIO.			
Circulation.....	8,124,528	Specie.....	1,065,351	Capital.....	\$5,674,000	Specie.....	\$3,021,285
Deposits.....	7,830,384	Stocks.....	4,128,711	Circulation.....	9,058,837	Loans and discounts.....	12,268,399
PENNSYLVANIA.				Deposits.....	11,067,818	Stocks (safety fund).....	3,768,819
Capital.....	\$26,458,794	Stocks and loans.....	\$18,073,296	Free banks in Ohio issued currency against securities to full amount.			
Circulation.....	27,690,504	Bonds.....	1,849,870	MICHIGAN.			
Deposits.....	41,114,564			Capital.....	\$416,590	Loans.....	\$1,062,906
Lancaster County, 5 banks; capital, \$1,132,415. Pennsylvania, 97 banks.				Circulation.....	131,087	Stocks.....	183,728
MARYLAND.				Deposits.....	1,430,852	Specie.....	50,330
Capital.....	\$12,112,300	Loans and discounts.....	\$23,919,669	WISCONSIN.			
Circulation.....	6,669,080	Stocks.....	3,899,242	Capital.....	\$3,055,000	Specie.....	\$205,548
Deposits.....	13,779,279	Specie.....	2,750,183	Circulation (secured by securities of \$2,007,580).....	2,628,506	Stock: Deposited with State treasurer.....	1,830,061
VIRGINIA.				Deposits.....	3,301,630	Not deposited.....	75,056
Capital.....	\$16,486,210	Loans and discounts.....	\$25,866,262	Loans.....	3,924,584		
Circulation.....	19,817,148	Stocks.....	3,685,135	MINNESOTA.			
Deposits.....	7,157,270	Specie.....	3,017,359	Capital.....	\$318,000	Loans.....	\$133,951
NORTH CAROLINA.				Circulation.....	108,494	Stocks.....	324,212
Capital.....	\$7,863,466	Loans and discounts.....	\$14,080,746	Deposits.....	68,876	Specie.....	25,000
Circulation.....	5,218,598	Stocks.....	537,714	IOWA.			
Deposits.....	2,034,301	Specie.....	1,050,715	Capital.....	\$707,970	Loans and discounts.....	\$1,508,666
SOUTH CAROLINA.				Circulation.....	1,249,065	Stocks.....	220,350
Capital.....	\$14,952,486	Loans.....	\$22,230,750	Deposits.....	1,287,273	Specie.....	544,967
Circulation.....	6,089,636	Stocks.....	2,069,872	INDIANA.			
Deposits.....	8,334,067	Specie.....	1,628,336	Capital.....	\$4,492,835	Loans and discounts.....	\$5,250,245
GEORGIA.				Circulation.....	6,702,681	Stocks.....	1,589,768
Capital.....	\$16,555,490	Loans.....	\$16,680,261	Deposits.....	3,017,967	Specie.....	3,455,731
Circulation.....	8,311,728	Stocks.....	2,629,706	RECAPITULATION.			
Deposits.....	3,846,176	Specie.....	2,358,555				
Total United States.....							

**BANKING AND CURRENCY.**

The existing agitation on the subject of banking and currency is due to the supposed need of more money in some sections of the Union. In the more densely populated, enterprising, and wealthy portions of the country there is a great abundance of money, and banks afford needed accommodations, supplying all the currency the people can use under normal conditions. In the more sparsely settled sections, with limited resources, business, and wealth, banks are less numerous, their accommodations more curtailed, currency less abundant, and the people think they are not adequately supplied.

Banking is, in most respects, like any other business in which services are rendered the public. It can only be carried on successfully when there is enough service required by the public to sustain the business. A grocery store in a community so sparsely populated as not to afford a living to the grocer would go into

bankruptcy. A bank established in a community in which the need of banking accommodations is so meager, the use of discounts so infrequent, by reason of the small amount of business carried on, as not to pay the bank to keep money for the use of the community, would close its doors and its capital would seek a more hospitable investment. Where there is little capital there will be little money, and interest will be high, the latter depending upon the supply of capital in all forms suited to productive uses compared with the opportunity to use it productively. If there were more capital in those sections which complain of a dearth of money, the complaints would cease, for the volume of money will, under normal conditions, correspond with the volume of capital.

#### THE REAL PROBLEM.

The problem for solution is how to provide a uniform system of banking that will meet equally well the needs of sections of the

Union which show a marked disparity in those conditions which underlie successful banking. On a former occasion I submitted a series of tables which brought into view the disparity to which I refer. I will not repeat them now, but the substance of the results shown are that the 33 McKinley States have in round numbers 35 and the 22 Bryan States 65 per cent of the total area, while in population the ratio is substantially reversed, the McKinley States having 64 and the Bryan States 36 per cent of the total.

In school expenditures the McKinley States rise to 78 and the Bryan States fall to 22 per cent of the total. In the former the per capita expenditure for education is \$2.71, and in the latter \$1.37.

Of personal property the McKinley States possess 68 and the Bryan States 33 per cent of the total. Of real property the former hold 76 and the latter 24 per cent of the total. Of farm lands the McKinley States have 71 and the Bryan States 29 per cent of the total in value.

Of farm products the McKinley States produce 60 and the Bryan States 40 per cent of the total product. Of real estate mortgages the McKinley States are burdened with 81 and the Bryan States with 19 per cent of the total incumbrance. Of manufactured products the McKinley States produce 87 and the Bryan States 13 per cent of the total product. Of the wages paid labor in manufacturing the McKinley States pay 88 and the Bryan States 12 per cent of the total wage paid. In silver product the Bryan States are far in the lead, producing 98 and the McKinley States but 2 per cent of the total product. In number of savings-bank depositors the McKinley States show over 98 and the Bryan States less than 2 per cent of the whole number, reversing the ratio in the case of silver.

It must be admitted that these are most pregnant facts and are of the profoundest significance in the consideration of the banking and currency question and its bearing upon those sections of the Union which exhibit such marked inferiority in all the elements which constitute the basis of modern economy in the mechanism of banking.

It is not to be expected that communities comparatively weak in the material resources which must precede banking facilities can maintain a banking system suitable to stronger, more developed, wealthy, and populous sections any more than we can expect the feebleness of childhood or the decrepitude of age to admit of the regimen suitable to the vigor of mature manhood. Banks can not be maintained where there is no banking to do; credit money is unavailable where credit does not exist; but these will grow up in every community just as fast as material development, capital, wealth, and business require them.

#### COMPARISON OF BANK RESOURCES.

On a former occasion I also submitted a series of tables presenting the banking situation in all sections of the Union, which showed with great distinctness the weakness that comes from lack of nourishment, and that, with a sparse population, limited capital, small resources in wealth and production, and a limited use of the instruments of economy in finance, there will be in the nature of things inferior facilities for conducting the operations of banking. What we would expect from an *a priori* view is precisely what we find in the comparison to which I refer.

The exhibit, which I will not now reproduce, shows that the McKinley States contain 75 and the Bryan States but 25 per cent of the total number of national banks. Of the capital stock the McKinley States have 83 and the Bryan States 17 per cent of the total. Of bonds deposited to secure circulation the McKinley States have 89 and the Bryan States 11 per cent of the total. Of bank-note circulation the McKinley States have 88 and the Bryan States 12 per cent of the total. Of individual deposits the McKinley States have 85 and the Bryan States 15 per cent of the total. Of loans and discounts the McKinley States have 91 and the Bryan States 9 per cent of the total. Of the money due from national and State banks and from reserve agents the McKinley States have between 80 and 85 and the Bryan States an average of about 20 per cent of the total. Of the stocks and securities held by the banks the McKinley States have 87 and the Bryan States 13 per cent of the total.

A glance at these percentages will show how completely they conform to those in the previous exhibit, demonstrating that banks will exist where they are most needed and will multiply in proportion to the means of creating them and the need for their use.

Now, let me, in the way of an object lesson, submit an illustration of the disparity of banking benefits enjoyed in different sections on account of differences in the conditions under which banking operations are carried on.

Lancaster County, Pa., which constitutes the Tenth Congressional district of Pennsylvania, contains an area of less than 1,000 square miles and has a population of about 150,000. It is an agricultural county, containing 500,000 acres of cultivated land divided

into 9,000 farms, which are assessed at nearly \$90,000,000. Its agricultural product in 1890 was \$7,657,790, exceeding by at least 25 per cent that of any other county in the Union. Its people have \$21,500,000 invested in judgments and mortgages. It has 26 national banks, with a capital stock of \$3,650,000 and a note circulation of \$1,087,430. No citizen in the county need travel from his residence more than 12 miles at most to a national bank, where he can obtain all the accommodations he needs if he possesses the necessary collaterals.

The following table exhibits the banking situation in that county on October 6, 1896:

Bank statement for Lancaster County, Pa.

Number of banks.	Capital stock.	Bonds to secure circulation.	Notes in circulation.	Individual deposits.	Loans and discounts.
26.....	\$3,650,000	\$1,344,500	\$1,203,929	\$5,568,909.60	\$7,983,301.78

I now present, in order to bring the contrast fully into view, a corresponding statement of the banking situation in the seven Southern States named:

Banking statement for seven Southern States named.

State.	Number of banks.	Capital stock.	Bonds to secure circulation.	Note circulation.	Individual deposits.	Loans and discounts.
North Carolina.....	28	\$2,766,000	\$806,000	\$705,385	\$4,809,968	\$6,432,705
South Carolina.....	15	1,848,000	490,750	446,785	3,744,481	5,856,344
Georgia.....	28	4,016,000	567,000	1,109,457	6,631,493	8,925,600
Florida.....	17	1,350,000	405,000	382,000	3,911,651	3,567,624
Alabama.....	27	3,405,000	1,215,500	1,063,060	5,727,797	6,417,525
Mississippi.....	10	855,000	242,650	216,700	2,032,424	2,634,329
Arkansas.....	9	1,220,000	348,500	298,100	1,601,422	2,355,437
Total.....	134	15,460,000	3,924,400	4,173,197	28,582,236	35,589,573
Average.....	19	2,208,571	590,628	590,171	4,083,176	5,084,224

In the foregoing comparison we see side by side two agricultural sections of our country—one a single county, with an area of 973 square miles, with a population of 150,000 and one Representative in Congress; the other, seven sovereign States, with an average area of 48,985 square miles, an average population of 1,225,524, and an average representation in Congress of seven members. The result of the comparison shows that the former area, limited in extent and population as it is, has 37 per cent more banks, 65 per cent more capital stock, 140 per cent more bonds deposited for circulation, 100 per cent more circulating notes, 39 per cent more individual deposits, and 57 per cent more loans and discounts than the average number and amounts in the States embraced in the latter extended area.

Here is a concrete case which brings into view one section of our country in which our national banking system works well, and another in which, it is claimed, it does not work satisfactorily. Its analysis will reveal the cause of the difficulties experienced in the complaining sections. You will say at once that in Lancaster County you have wealth, capital, business, and therefore money, credit, and banks. Your proposition is most sound, and the converse of it is equally sound; with less wealth, less capital, and less business we would have less money, less credit, and fewer banks. The conclusion is as plain as the way to church. Where the conditions precedent exist money and banks come into being; where they do not exist money is scarce and banks few. This is the result of inexorable law, and legislation can bring no relief unless it can create the conditions precedent, which no one asserts.

#### A DIFFICULTY THAT LAW CAN NOT REACH.

William E. Dodge, of New York, the other day at a meeting of the Chamber of Commerce spoke with touching pathos of the unhappy conditions in some sections where, as in Virginia, a four-days search failed to find change for a fifty-dollar note. But how the evil was to be remedied Mr. Dodge confessed he did not know. A recent financial writer, it seems to me, comes very near the nerve of the case when he says:

A community is made up of individuals, and individuals can provide themselves with money only by earning it or by borrowing it, and the power to do either can not be conferred by law. Establishing banks in imppecunious regions has been advocated, but banks can not be established without capital, nor can they long do business where there are no depositors and no borrowers who can be relied upon to repay when it is due the money that is lent them. Money was once as scarce in New England and New York as it is now in Virginia, and it has become plenty there only by the slow process of creating wealth and saving it. The same process will in time enrich Virginia and other States at present so poor, but it must be the work of their own citizens and not that of Congress.

In the West and South to-day a considerable portion of the capital invested in national banks is nonresident capital, coming from



the North and East, where there is a surplus. The Comptroller of the Currency in his last report says:

In evidence of the extent of this investment it was shown by an investigation made in 1899 that nearly one-third of the capital stock of 529 national banks in Iowa, Minnesota, Missouri, Kansas, and Nebraska had been contributed by Northern and Eastern shareholders, while in Dakota, Idaho, Montana, New Mexico, Utah, Washington, Wyoming, and Arizona more than one-half of that of 144 national banks was held by nonresident shareholders. In the States of Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, Arkansas, Kentucky, and Tennessee, of the shares of 410 national banks, a little more than one-sixth of the total was held by nonresidents. The investments of this character made by nonresidents since the date given, and especially so during the years from 1890 to 1892, have been at least as large, if not larger, than in the years prior, but the figures are not at hand to state with accuracy the proportion. The facts alluded to, however, form of themselves such data upon the point made as to make them worthy of consideration.

The conditions which account for such disparity in banking facilities as are revealed in the foregoing comparisons are conspicuous factors in the problem of national banking. They render impossible of attainment the proposal of some enthusiastic currency reformers, viz, a banking system which will furnish equal facilities to and make credit equally available in all portions of the country and distribute the loanable capital of the country so as to meet the needs of all sections. This might be possible in a country of more homogeneous conditions than ours, but here and now it is one of the "iridescent dreams" of financial Utopia, for dissimilar conditions will never yield similar or equal results in banking any more than in other realms. The best we can do will be an approximation to this ideal; to so amend our system as to secure the least of the worst and the most of the best results of a uniform national banking system.

#### STATE-BANK NOTES NOT DESIRABLE.

The remedies proposed are numerous and as varied in their character as Joseph's coat in its color. The Comptroller of the Currency received in one year forty distinct propositions to improve the national banking system. Some of our Southern friends who have given the Banking and Currency Committee the benefit of their counsel have advocated the repeal of the tax on State-bank circulation and to allow all banks to issue currency against their assets. Some of them admitted that such a currency would be at a discount outside of the State of issue, and argued that that would be its chief excellence; that the only currency that would remain with them would be one that would be sent home as soon as it went abroad; that homing money, like homing pigeons, is of great value. In other words, the best currency for them was a currency so bad that other people would not have it.

That a State-bank circulation could not compete with our national-bank currency was demonstrated during the war. On July 1, 1864, there was State-bank currency in circulation amounting to \$180,000,000 and only \$31,000,000 of national-bank notes. On July 1, 1865, three months after Appomattox, there was \$143,000,000 State-bank notes and \$146,000,000 national-bank notes in circulation. When the 10 per cent tax went into effect in 1866, it found but \$20,000,000 State-bank notes in circulation, so much had the local currency dwindled in the presence of uniform, sound, and safe national currency.

#### CURRENT REDEMPTION.

A currency that has to be constantly homing for redemption to keep its character is not a desirable currency for this country. A note that is equally good at all times and in all places needs no current redemption. It is as serviceable in any bank in which it happens to lodge as in the bank which issued it. Current redemption cut a very small figure in our banking system from the inception of national banks down to a very recent period. The means of redemption, of course, are necessary, for sometimes there is occasion to redeem. The holder of a bank note may require a legal tender to pay a debt. Soiled and mutilated notes must be exchanged, and banks may wish to exchange notes for legal tenders to replenish their reserves. Beyond this, under normal conditions, there is no need for current redemption.

#### THE SUFFOLK SYSTEM.

It is now suggested that we remodel our national system in the similitude of the Suffolk system, in vogue in Massachusetts fifty years ago. What an anachronism that would be! It may have been necessary in that early day to keep the State bank notes in countenance to redeem them over and over a dozen times a year. The average daily redemption of the Suffolk Bank in 1850 was \$750,000. In 1849 the total bank-note currency of Connecticut was redeemed at Suffolk every sixty days. The bank employed seventy clerks. Under that system, with a circulation of \$40,000,000, the redemptions were \$400,000,000 a year, while under our national system, with a circulation of \$360,000,000, the redemptions never exceeded until recently \$25,000,000 a year. Under the Suffolk system the annual redemption was ten times the circulation, while

under our national system it has been but a fraction of the circulation.

Professor Sumner in his History of Banking says the Suffolk system would not probably have succeeded, except for the fact that Boston was the great emporium of that section. It was tried elsewhere with but little success, and it was in a condition of partial disruption when the national banking system came. To discard our national and go back to the Suffolk banking system would be like discarding the modern greyhound of the sea, driven more than 20 knots an hour by a quadruple expansion engine, and calling back to service the wind-driven, creeping craft of fifty years ago.

The idea that sending notes home to the bank of issue promotes elasticity is a crude and antiquated notion. When the notes of all banks are equally good, what advantage is derived by each bank holding its own notes and sending home those of other banks? One is as good to loan as another, and unless it needs to replenish its reserves the sending of notes back and forth across the country is a wasteful and vain performance. If banks have to hold currency waiting a demand for it, it costs no more to hold the notes of other banks than its own, and it could meet a new demand for discounts as effectively with the notes of other banks scattered from Maine to California as with its own issues.

So, looking the matter squarely in the face, it does seem that the remedy of a local currency issued by the State banks would be worse than the disease, and with the experience of the past to guide our footsteps, as practical legislators we can not administer the prescription.

#### PAST EXPERIENCE.

Contemplate for a moment the financial experience of this country. It has been most extraordinary. Without summoning the ghost of our continental currency, we have seen hundreds of millions of dollars, the circulation of a portion of our country, engaged in an unfortunate attempt to break up our family house-keeping, like the apples of Sodom, turn to ashes in the hands of the people, sweeping away great blocks of the wealth of its holders.

We have seen other hundreds of millions of bank notes issued by State institutions depreciate in value, lose their currency, and become worthless in the hands of their unhappy holders. On the other hand, we have witnessed a currency exchanged for the wealth of the country to carry on a war for the preservation of the Union appreciate from the value of 36 cents on the dollar to the par of gold. From the ragged edge of worthlessness it rose in a few fleeting years to the value of specie the world over, commanding its face in gold in every commercial city on the globe. This achievement of unrivaled splendor in finance was due to wise legislation and the invincible integrity of the American people.

#### SOUND MONEY AND NATIONAL HONOR.

One of the first steps we took after the war in our splendid march to the imperial place we now hold among the nations was to make our paper currency the equivalent of the world's money and equally good everywhere the flag floated. By our steadfast adhesion to the principle of national currency we have maintained the national honor and kept our money good. After so many years of such a currency, Mr. Chairman, all provincial schemes of finance, all local currencies and State-bank notes, are anachronisms. In an age of steam and electricity, when intelligence flies on electric wing and commodities are transported with a speed and safety only possible to the marvelous instrumentalities of our day, commerce and currency are twin sisters, living and journeying in loving companionship. Whither one goes the other must also. Where ships sail, steamers ply, or cars run, over all the waters and roadways of the land, on which the exchanges of the country fly to and fro like mighty shuttles weaving the wondrous web of interstate commerce, there should the nation's currency be current. The bank note that pauses for inspection and discount at the bank of a river, or about-faces for fear of insult at a State boundary, is a ragged tramp, a limping vagabond, which would be a disgrace and reproach to this grand, imperial Republic.

#### NATIONAL BANKS AND PROSPERITY.

I can not be persuaded that a banking system that worked so well for so many years while we were in a normal condition down to 1892 or 1893 needs to be turned down at this time. I doubt if any kind of a system would work with ideal perfection under the present circumstances. The English system has broken down four times since 1844, and the French system missed fire in 1848, and again in 1870, when specie payments were suspended until 1877.

Under our system as it is now the country enjoyed for many years a high—I may say an unexampled—degree of prosperity. Wealth increased at an enormous ratio, our debt was rapidly paid, and the United States became the greatest debt-paying nation in the world. No other country ever contracted debt so rapidly or discharged it with such alacrity as our own.

Under the compulsion of a patriotic necessity, in the small

space of five years we contracted a debt of almost \$3,000,000,000. Our annual interest charge was \$150,000,000. In thirty years we extinguished more than \$2,000,000,000 of that colossal pile, in addition to nearly \$2,500,000,000 of interest and \$118,000,000 premiums on bonds, making a total of over \$4,500,000,000, or an average annual payment of over \$150,000,000 for the entire period. This, you will agree, is debt paying on the most stupendous scale recorded in human history, and it has excited the wonder and admiration of the civilized world.

Gladstone, when we had gone but a little way—only twelve years after the war—in this phenomenal experience of debt paying, speaking of the financial sequel to the great conflict, said:

England in sixty-three years after the Napoleonic wars reduced the huge total of her fabulous debt by only \$500,000,000, while the United States in twelve years had reduced her debt \$700,000,000, doing in each twelvemonth what England required eight years to do. American self-denial and wise forethought have been, to say the least, eightfold ours.

This was the homage Gladstone paid to what he called the "most unmitigated democracy known to the annals of the world."

As Americans our breasts swell with pride at the splendid pre-eminence we have achieved in this among the other manifold triumphs which have shed upon our history a glory whose luster can only be dimmed by the misfortune, which God forbid, of the necessity or the habit of increasing instead of diminishing our national debt becoming inveterate, or of settling down into English indifference to the payment of our national obligations and shifting the burden upon posterity, with the idea which prevails in England, that a great debt is an eminently respectable institution and one of the blessings of a perfect constitution. This would indeed dim the luster of our financial history, for it would be the dawn of the day of disaster to the pride, prosperity, grandeur, and glory of the United States.

#### THE SOUTH AND NATIONAL CURRENCY.

Mr. Trigg, of Richmond, in his examination before the Committee on Banking and Currency, said that the 10 per cent tax on State-bank circulation has brought greater loss and distress to the South than the desolation of the war. Is that so? I have before me the figures which express the growth and development of the Southern States during the decade between 1880 and 1890. It is almost phenomenal, and I do not hesitate to assert that a sound national currency was a conspicuous agency in that development. I commend this table to the prayerful attention of my Southern friends.

These are the figures:

Statement showing the development in the Southern States in ten years.

	1880.	1890.	Per cent of increase.
Population.....	14,628,936	17,556,920	19.9
Whites.....	9,067,187	11,361,936	26.2
Colored.....	5,561,749	6,194,984	10
Wealth.....	\$6,008,000,000	\$9,751,815,635	62.5
State debt (not).....	\$118,195,232	\$95,469,126	18.4
Public debt.....	\$120,345,464	\$183,772,353	5
State revenues.....	\$13,249,896	\$26,535,240	100
Bank capital.....	\$62,575,000	\$171,699,670	86.1
Capital invested.....		\$2,339,170,000	
Railroad mileage.....	10,522	41,118	110.1
Men employed.....	86,250	188,731	118.8
Railroad equipment.....	\$612,000,000	\$1,301,006,740	110.9
Manufactories.....	34,563	56,714	61.2
Capital.....	\$179,306,230	\$351,483,900	207
Value of product.....	\$315,924,704	\$742,865,200	135.2
Cotton mills.....	161	334	107.4
Value of products.....	\$16,353,182	\$54,191,000	231.4
Cotton-seed products.....	\$7,600,921	\$27,310,836	267.1
Pig-iron product..... tons.....	200,772	1,684,063	480.9
Steel product..... do.....	4,380	183,625	4,121
Coal product..... do.....	3,820,550	17,536,456	362.9
Precious metals.....	\$225,170	\$712,789	218
Total minerals.....	\$3,643,029	\$35,008,615	877.5
Lumber output.....	\$35,680,151	\$102,122,100	183.4
Forest products.....	\$46,979,002	\$123,998,800	163.8
Land under crops..... acres.....	54,679,145	75,551,429	38.1
Agricultural machinery.....	\$67,372,500	\$120,750,000	79.2
Cotton product..... bales.....	5,731,675	7,776,215	3.6
Value.....	\$359,521,911	\$940,208,005	32.6
Fruit value.....	\$9,084,173	\$24,620,500	171
All farm products.....	\$611,679,145	\$984,707,000	60.9
Live stock.....	\$300,066,863	\$555,905,108	54.1
Schools.....	44,280	60,647	30.1
Teachers.....	49,182	74,055	50.5
Pupils enrolled.....	2,018,640	3,359,173	67
Attendances.....	1,361,743	2,181,109	58.9
School revenues.....	\$5,067,081	\$14,707,306	163.6

#### A HITLESS SWORD.

Such a currency, Mr. Chairman, will bless any nation wise enough to create and maintain it. On such a currency no statesman should lay his hand in violence. The blow you strike, my

Southern friends, at such a currency will fall upon yourselves. It is a hitless sword you draw in this contention.

The closer your clutch of the steel,  
The deadlier the blow you would deal,  
Deeper wound in your hand is made,  
And your own blood reddens the blade.

#### UNSECURED CURRENCY.

It is doubtless true that a currency issued against the assets of the banks is the cheapest currency that can be provided, for it costs nothing, and sometimes it is worth nothing to the last holder; at least this has been so in the past. The difference, however, in cost between such a currency and one secured by bonds or other securities is not so great as many suppose. Many of the figures made on this subject by mathematical financiers are exceedingly misleading; not that figures lie, but that liars sometimes figure. If a bank has \$100,000 capital and invests it in bonds at 6 per cent, and receives \$100,000 in currency which it can loan at 6 per cent, it receives the same income as if it loaned to its customers its \$100,000 of capital and an additional \$100,000 of currency issued against its assets.

In fact, it makes a great deal more when its capital is in bonds, for it is yielding a constant income; it works every day in the year; whereas if it were in the vaults of the bank waiting discounts it would be unused a portion of the time and the interest would be lost. As a matter of fact, banks do not undertake to keep all their capital for current loans. They can not afford to do so, for every dollar of it costs them its face. The only money they can afford to keep in idleness waiting a chance to earn something is money that cost them nothing. They invest a large part of their capital in stocks and bonds which yield a constant return. The capital, surplus, and undivided profits of the national banks, according to the last report of the Comptroller, on July 14, 1896, were \$974,882,159, of which \$469,052,298, or about one-half, was invested in Government and other bonds. The capital, surplus, and undivided profits of banks of all kinds in the United States at the same time amounted to \$1,748,317,260, while they had invested in bonds of all kinds the sum of \$1,679,879,887, and a considerable portion of this vast investment was not bringing more than 4 or 5 per cent interest.

When, however, the bonds of the Government are at a premium and the rate of interest is low and the amount of currency issued on the bonds less than the par value, the income on that investment diminishes and the comparison as to cost redounds proportionately to the benefit of the purely credit currency. At their present price, if banks were allowed to issue to the par of bonds deposited, as provided in this bill, and the tax on circulation were reduced to one-fourth of 1 per cent, they would realize on their capital 8 per cent, 2 per cent more than could be realized on that portion of their capital used in current discounts. At that figure banks would put out all the circulation the people need, for they can not make that profit in any other form of investment, and they ought not to ask legislation that would enable them to make more.

#### SECURITIES.

When the time comes, or at once, if, as some insist, it has already arrived, that Government bonds are too scarce to suitably meet the banking requirements of the country, we ought to provide for the use of other securities, under such conditions and restrictions as will adequately guarantee the Government against loss. This would cause little inconvenience to banks, for they already invest largely in securities, as I have abundantly shown. They would, of course, have to select such securities, municipal or State, as would meet the requirements of the Government. But it would impose no burden, and would supply the banks with an inexpensive medium of circulation, while it would preserve for the use of our people a secured currency, to which they have been accustomed for a third of a century and with which they would be very reluctant to part.

#### CREDIT CURRENCY.

In this connection I desire to record my opposition to the principle of credit currency, which receives much favor in some quarters. I am unalterably opposed to authorizing a bank to receive the money of the people for safe-keeping, and then to issue an unsecured currency which shall be a first lien upon the people's deposits. No bank should issue a note to go into general circulation whose redemption is not secured by property in some other custody than that of the bank itself. This I believe to be a sound principle of banking. It is recognized in the constitution of Pennsylvania, which forbids the enactment of any law authorizing a bank to issue a currency until it has deposited with the auditor-general ample security for the full amount to be issued as a guarantee of its redemption. This is Pennsylvania doctrine. I stand foursquare upon it, and I believe it enjoys the favor of a great preponderance of the good people of the United States.

There is, in my judgment, much fallacy indulged in by some who advocate an unsecured currency. It is said that a bank circulation is safe and serviceable in proportion to its likeness to



credit paper, such as checks and bills of exchange, notes, etc. It should be issued against assets which will admit of prompt realization in order to insure speedy redemption. A bank note, it is said, is issued by the owner of property, and to the holder it conveys a legal right to a specified amount of that property or assets, and that makes the note at all times convertible and safe. That is, as Horace White says, the bank, when it issues its note, puts property in circulation. If I lend my neighbor money to buy a wagon, I have loaned him a wagon. These are verbal propositions which have no corresponding reality. It is like saying, as some writers do, that no bank issues a note until there is an equivalent in value deposited for its redemption. Yes; but under the proposed system the property which is the security remains in the hands of the bank.

Moreover, a commercial note does not represent property any more than money does. A bill of lading does, of course, for it can not be separated from the specific goods. But the holder of a promissory note has no property in the goods for which it was given. If I buy a horse and give my note for \$100, the holder of that note or the bank that discounts it has no property in the horse. I may sell it and take another note. The buyer from me may do the same, until there are ten notes or more out for that identical horse, and the same bank may discount them all and hold \$1,000 worth of commercial paper against one horse worth a hundred dollars, and in which it has no property whatever.

If you would go to a pawnbroker and propose to pawn your watch for \$25 and would suggest that the watch remain in your own hands as security for your own debt, you would hardly get out of the shop with your money. Place the value which is to cover the note in the hands of a trustee, and there is safety. As a matter of fact, attested by all human experience, a bank note is unsafe just in proportion as it resembles the transactions to which it is likened by Mr. White and some other writers. A bill of exchange may not be paid, likewise a check or a note, and the holder may lose his money, and oftentimes does; and every man who handles such a paper takes a risk. If I loan my wagon, the borrower may steal it; or, if I sell it and take a note for sixty days, the buyer may never pay it.

These risks and dangers are incident to all such commercial and financial transactions, and but for the opportunity men have to investigate and learn the character and competence of those with whom they deal there would be no credit transactions. But when you handle a bank note you are dealing with a paper of superior credit, a form of currency that was created to avoid the risks incident to ordinary credit paper. It possesses a character that gives it a passport everywhere. You take your promissory note to bank and obtain bank notes because they have wider credit; you could not circulate your note. The bank note's universal credit makes it go. It stands for an indefeasible title in the holder to the amount of property it represents. Those who receive it have no means or opportunity to investigate its origin or to establish its credit. It must travel by faith, and not by sight, and no degree of security can be commensurate with the character and prerogatives of such paper short of absolute safety. To leave the note holder to dependence on the honesty of the bankers and the solvency of the bank's debtors is to leave him insecure.

#### COMMERCIAL ASSETS.

If we knew how much of these commercial assets turn out valueless, we would be more sensible of the danger of relying upon them as security for circulation. James G. Cannon, vice-president of the Fourth National Bank of New York, at the last annual convention of the New York State Bankers' Association, said:

A writer in one of the Boston daily papers not long since stated that the Boston banks from September 1, 1892, to September 1, 1894, had charged to profit and loss \$10,175,322, and that the banks of New England had charged off during the same period \$30,960,000, the larger proportion of these amounts being for bad debts.

It appears, moreover, from the last report of the Comptroller of the Currency that from 1863 to 1896, 1,234 State banks failed, with an aggregate capital of \$51,515,458; aggregate liabilities, \$220,598,999, and the total dividends paid amounted to \$95,037,724, or an average of 43 per cent. It is furthermore shown that of these failed banks 203 paid a dividend of less than 50 per cent, 192 less than 25 per cent, and 282 none at all. So I think it a fair assumption that if the commercial paper for which the bank currency is exchanged is without credit or liable to default, since no multiplication of uncounted units can give soundness to the aggregate, the currency issued against it can not itself be secure.

#### DEPOSITS OUGHT NOT TO BE LOOTED TO PAY BANK ISSUES.

I am unalterably opposed to the Federal Government conferring upon any body of men under a free banking law the power to issue circulating notes on their own property under their own control. I do not dispute that the notes might be substantially safe, but it would be at the cost of others whose property is entitled to the same protection as that of their neighbors. Notes secured by the assets of a bank with a prior lien on the deposits may be safe; but in proportion as they are, the deposits are unsafe. If deposits

could be made as secure as the notes, there would doubtless be fewer panics, for depositors would not draw their money out in times of stringency. The need for security for depositors is really as great as for notes. It is to the interest of the public that all the money remain available for use in circulation under such conditions as will secure immunity from loss. For the Government to charter a bank, give it a certificate of character and honesty which invites my cash and authorizes me to trust it, and when it becomes the custodian of my money it empowers it to issue its own notes, which shall be a first lien upon the funds I have entrusted to it, does not seem compatible with honor and honesty, and is not a suitable business for the Government to engage in.

Let me fortify these views by the testimony of an eminently competent witness.

William L. Trenholm, Comptroller of the Currency, in his report for 1887, says:

The national banks owe their prosperity entirely to the confidence of the general public, as the volume of individual deposits shows, and it would be a hazardous thing to introduce into the system any feature which would be likely to disturb the confidence of depositors. It is doubtful whether any real strong and prudent banks would like to risk their credit with depositors by issuing notes as a first lien on their assets, and in that case, if the proposition led to the establishment of such a bank, currency notes would be issued chiefly by banks having small deposits, and their assets might very easily be so handled as to constitute a very poor security even for the preferred notes. There would certainly be a great temptation to a bank to become speculative when once it had floated all the currency allowed and found itself free from the observation of numerous and vigilant local depositors. If these views are correct, they would seem to be fatal to all schemes of establishing a bank currency secured only by a first lien upon all the assets of the issuing bank, unless some sufficient counterpoise to the objections can be found among the various suggestions as to a 25 per cent reserve, a sinking fund deposited with the Government, the consolidation of all issuing banks into one association, etc.

While none of these devices appears to me likely to prove practically effective in removing the objections, it is probable that considerable diversity of opinion will arise on the subject, and as individual views can not be anticipated, it seems useless to spread the discussion over the whole field of possible contention. It is important, however, to bear in mind that any computations as to the proper ratios of reserve or redemption funds to the volume of currency which may be drawn from the history of national-bank circulation will be misleading, because the conditions heretofore obtaining will all be changed when, on the one hand, banks have every temptation to force out circulation, and, on the other hand, the public acquire the habit of presenting these notes for redemption every time the general credit of the bank is affected.

In times of panic, now, banks have to take care of their depositors only, the ordinary process of the redemption of notes is not materially varied, nor is the volume of general currency diminished; but when there is no special security behind these notes the case will be very different; every rumor of monetary trouble will bring both the note holders and the depositors clamoring for payment, and just when there is most need of money to pay them with, the currency will be contracted by the discredit of national-bank circulation.

In answer to these general objections to the first-lien principle, it may be said, of course, that the assets of the bank will be increased by the whole amount of its issue of notes, while now its assets are actually diminished by the difference between the cost of the bonds and the circulation received from the Government. This is very true, and if those assets were set aside, as the bonds now are, as specific security for the notes, and if, moreover, they could be always maintained in a form as intrinsically valuable and as readily convertible as the bonds are, the force of the objection would be destroyed; but no one familiar with practical banking can really believe that either of these conditions could be maintained in even a single case, while it is more than probable that in most cases they would be disregarded, and the old adage "easy come, easy go" would receive fresh illustration from numerous instances in which the facility of uttering currency would lead, as it did under the old State-bank system, to very lax and speculative methods of employing the resources so obtained.

If the views here submitted are correct, it would appear that no substitute yet proposed for the present basis of national-bank circulation is sufficiently free from objection to be adopted. The 4 per cent bonds will not mature for twenty years; and, apart from other considerations, there is enough in this fact to justify caution and delay in making any radical change in the basis of circulation. In that time no doubt something acceptable will be devised, but at present all that seems practicable is to modify the existing law so as to obviate its inconveniences, and as a first step toward this end it appears both safe and wise to reduce the minimum amount of bonds to be kept on deposit.

#### BANKING SYSTEM OF CANADA.

It may be well to remember, in connection with the contention in favor of issuing notes on the assets of banks, that there is not a country in the world in which that mode of issue is permitted under a general law providing for a free system of banking.

The Canadian system is set before us as an example worthy our imitation, but no one advocates the introduction of the Canadian system as a whole into this country. But a fragment of the system, a single feature of it, namely, the mode of issuing notes, it is claimed, should be adopted by the United States. That such a mode of issue works under their system is no evidence that it would work under ours, for the two banking systems are totally dissimilar. The restrictions and limitations upon banking under the Canadian law are calculated to safeguard their issues, and, under those restrictions and limitations and the conditions incident to the character of their people and the state of business, I concede that their manner of issuing notes may be compatible with safety. But under our banking law, free as it is, and under the conditions created by the extent of our country, the number of our population, the character of our people, and the state of business here it would not be safe.

What is their system? There is not a free banking law under which any five men may organize a bank. There every bank is

chartered by act of Parliament and must have \$500,000 of capital stock. After a hundred years of development they have but 45 banks, with a territory larger than ours. Ten of these banks have no branches, and 35 of them have an aggregate of 400 branches. All the banking business of the Dominion is controlled, regulated, and operated by 45 responsible centers, while our national-banking business is operated in nearly 4,000 separate and independent institutions. They have a capital stock of \$60,000,000; we of \$800,000,000; New York City banks have over \$61,000,000, and Boston nearly \$52,000,000. Their maximum circulation is \$38,000,000; their minimum, \$31,000,000, leaving a margin of elasticity of \$7,000,000. Their issue does not exceed 60 per cent of the authorized limit, yet they never have a panic caused by fear of stringency in the circulation. Their issue can not exceed their paid-up capital stock, and two of their great banks can not exceed 75 per cent of their capital stock without depositing cash or bonds equivalent to the excess. They pay to the minister of finance 5 per cent of their actual circulation as a redemption fund and receive 3 per cent interest on it. The redemption fund is kept up by an assessment on all banks, not exceeding 1 per cent annually.

Forty per cent of their reserves must be in Dominion notes, which they must buy and pay for, and every debt must be paid to the extent of \$100 in Dominion notes if demanded. These notes are small—25 cents, \$1, \$2, \$3, and \$4, and upward. There must be redeeming agencies for every bank at the cities of Halifax, St. John, and five other places. The banks reissue their notes when redeemed and may take interest not exceeding 7 per cent. The Dominion notes are secured by gold or securities deposited, and \$25,000,000 may be issued by the minister of finance, nearly half of their paper money. There are \$22,000,000 out now, \$15,000,000 of which are held as bank reserves. These notes are legal tender. The bank issues are returned to the central bank for redemption or to authorized agencies. Their stock of money consists of \$20,000,000 in gold; silver, \$6,500,000; paper, \$22,000,000 Dominion notes and \$35,000,000 bank notes, with metallic reserve of \$17,000,000, which makes the amount of uncovered notes about \$13,000,000.

The limited issue of the Canadian banks and the small margin of elasticity are due to the lack of that activity in commerce and trade which prevails in the United States. Business is sluggish in Canada. It keeps an even tenor; it is about the same yesterday, to-day, and forever. Canada started with a population equal to ours a century ago, and she has now about 5,000,000 population while we have 70,000,000. One dry-goods store in New York sells almost as many goods as the whole of the Dominion buys in a year. Business does not become inflated to any extent, and panics do not frequently occur for the same reason, though in a different degree, that they do not in Alaska. It is thus easily seen that in such a country, with such limited banking facilities, with so much capital and so few banks, so little enterprise in business, so little fluctuation in the annual amounts of deposits and discounts, so little inflation of credit, so little exposed to the dangers which beset the banking system in a country like ours, there is comparative safety in the mode of issuing notes now in vogue in Canada.

#### CONDITIONS IN THE UNITED STATES.

In the United States all the conditions of banking and business are different. Here enterprise is active; business has a pulse which rises and falls. We trade and overtrade. We use credit to a large extent, and at times to great excess, and our business history is characterized by seasons of buoyancy and depression, with marked fluctuations in volume of circulation, amount of deposits and discounts, and an acute sensitiveness to distrust and alarm which are liable when credit is under severe tension to derange our whole system. Credit in the United States has been likened by Mr. Harvey to a top which gyrates on a small metallic point sufficient to support it as long as it spins rapidly, but inadequate when the rotary force is relaxed. Credit is the rotary force of our financial system. So long as this force is unimpaired the system spins merrily on, but when it fails, the top wobbles and falls.

These were the conditions in both our ante-war and our post-war periods. In the former, circulation was issued by banks almost without limit, and it was fully demonstrated that a free paper currency was not a safe one and that the severest limitations upon issues known to that period did not achieve safety. From 1814 to 1815 bank circulation increased from \$5,200,000 to \$10,000,000, and by 1819 it had fallen to \$3,000,000. The Bank of the United States increased its circulation from \$5,400,000 in 1822 to \$13,000,000 in 1828. From 1837 to 1843 the bank circulation was reduced from \$140,000,000 to \$58,000,000. The number of banks fell from 901 in 1840 to 691 in 1843, and rose again to 751 in 1848, and the paper circulation rose from \$58,000,000 to \$128,000,000 in 1849, and by 1857 had reached \$214,000,000, while the number of banks had increased to 1,416. In nine years our paper circulation doubled, and in 1857 the crash came.

The balance sheets of the banks register in cold figures the undulations in business and currency which mark the periods of

prosperity and depression and show the fluctuations in the volume of money and the extent that credit is used and abused.

Discounts rose to \$525,000,000 in 1837 and fell to \$234,000,000 in 1843, and by 1857 they had swelled to \$684,000,000.

The state of our currency in our post-war period is familiar to all, but let us look at the unerring record of the banks' discounts and deposits. Our national-bank discounts rose from \$166,000,000 in 1865 to \$944,000,000 in 1873. We were ready then for the panic. By the end of that year they had fallen to \$846,000,000, and by 1879 to \$814,000,000, when prices were lowest and the depression greatest. Then the tide began its flood again, and by 1884, when the next disturbance arrived, the discounts reached \$1,300,000,000. In one year they fell to \$1,200,000,000, then rose to \$1,470,000,000 in 1886, and to \$1,587,000,000 in 1887, and to \$1,684,000,000 in 1888, and then we were in the midst of a period of development, prosperity, and high prices.

The record of deposits tells the same story. From 1865 to 1873 they rose from \$183,000,000 to \$656,000,000, and then took a downward trend. From 1879 they began to rise again, and by 1888 reached \$1,350,000,000. All through our history increased deposits and discounts, extension of credit, rise of prices, inflation of business, and booming prosperity have been the precursors of panic. The ten panics which have come to us since 1813 have visited the great commercial countries about the same time, and were unquestionably due to the same cause—overtrading and inflated credit until business needed more money and credit than were available in the country.

Panic has been well defined as a stoppage of the rise in prices; the period when buyers are not in pursuit of commodities, but the latter are looking for buyers. Thus the three phases of our business life are said to be prosperity, panic, and liquidation. These constitute the business cycle, or circle. Prosperity from five to seven years, panic a few months or years, and liquidation a few years more or less.

In 1893 it is said there were two panics. The first occurred in May, and was the culmination of a long-continued drain upon the capital of the country by foreign investors who distrusted our ability to maintain gold payments. There was no scarcity of money at that time. The second panic, in July, was caused by the hoarding of paper money, which reduced the quantity in circulation below the needs of business. These are the ups and downs incident to a highly organized, active, enterprising, progressive people like ours. They could not occur to the same extent in a country like Canada under any conceivable banking system.

#### BANKING SYSTEM OF ENGLAND.

A word as to some other banking systems which some Americans extol without much discrimination. The English system in some respects is similar to our own. The Bank of England can not issue a note unsecured by an equivalent value in gold or the pledge of salable securities.

Robert W. Hughes, in his work on currency, speaking of the Bank of England, says:

Its notes are not really notes of the bank itself, but of the issue department of the bank, which is virtually a bureau of the British exchequer. Its notes are virtually notes of the British Government, redeemable in specie through the agency of the Bank of England. In principle the system in the United States is the same as that of England. The same three principles lie at the base of the English and American systems. They are: First, Government control over the issues; second, redeemability, directly or indirectly, in specie, and third, the subjection of the paper issues to the action of the efflux and reflux attending bank discounts.

The purpose of the Peel banking act of 1844 was to make the notes of the Bank of England absolutely secure, as we are striving to keep our national-bank notes, and to keep within narrow limits all other bank paper. No banking system in the world makes so little provision for elasticity as the English system. No new banks can be organized—none have been organized since 1844—with the power to issue a note on its assets. Many of the banks in existence in that year have surrendered the right to the Bank of England, so that the limit of unsecured bank notes in England is a receding one. The issues of the joint-stock banks are redeemable in the notes of the Bank of England, as our national-bank issues are redeemable in United States legal tenders. The English system has quite enough faults to keep it from perfection, though it has many elements of strength. In 1847, 1857, and 1866, and, I think, once since the latter date, the banking act had to be suspended to allow the issue to be increased on securities deposited, and Mr. Bagehot said the Bank of England would not have survived without those suspensions.

The joint-stock banks of England can issue about \$30,000,000 of unsecured notes, the Scotch banks about \$13,000,000, and the Irish banks about \$33,000,000. In addition to this they can all issue dollar for dollar on gold deposits. Anybody can turn his gold into money, as in our own country.

The members of the banking companies issuing notes in England as well as in Scotland and Ireland are subject to unlimited liability



as far as the notes are concerned. The aggregate amount of uncovered notes in England, Scotland, and Ireland is about \$76,000,000. Moreover, the Bank of England, because it has the machinery and methods of a bank in contradistinction to a government treasury, has been able to render effective service in moderating the severity of panics. The most memorable instance of this known, perhaps, in the history of that bank occurred in 1890, on the collapse of the Baring Bros. It is so notable in its way that it stands as a landmark in English financial history.

The house of Baring Bros. was unable to meet its engagements, amounting to about \$140,000,000. The Bank of England received notice on September 7, and by the 15th had secured from a syndicate composed of the great London houses a guaranty that it would be protected from loss to the amount of \$20,000,000 if it would liquidate the Barings' business, and from the British Government the right to issue \$35,000,000 of notes, provided that sum was used to loan the Barings, and it therefore assumed on that date the task of paying the Barings' acceptances of \$105,000,000 and \$37,500,000 of other liabilities. This heroic and unprecedented service of a moneyed institution is believed by those most competent to judge to have averted what would have been the greatest financial cataclysm in the world's history.

As an answer to some groundless statements made by those who find pleasure in extolling the English banking system and disparaging our own, I insert here some remarks by Mr. Matthew Marshall, financial writer on the New York Sun:

#### REMARKS OF MR. MARSHALL.

The truth is, that the currency of the United Kingdom is the least elastic of all the currencies of the world, and it has been so for more than fifty years. In 1844 Sir Robert Peel carried through Parliament what is known as the bank act of that year, and it has ever since been the law of the land. By that act the note issues against assets only of all the banks in the Kingdom, except the Bank of England, are rigidly limited to the average amount of their outstanding issues for the year 1844. As fast, however, as the banks of England and Wales give up issuing notes, they lose the right to resume it, and the Bank of England acquires the right, in their place, to issue two-thirds of the amount they surrender. To the Bank of England was originally given the right to issue \$14,000,000 of notes secured only by a Government debt to that amount, which amount has been increased to \$16,800,000 by the addition of two-thirds of the amount of notes surrendered by other English and Welsh banks. The Scotch and Irish bank issues are, to the amount in existence in 1844, secured by the assets of the banks only, but they may exceed the limit upon condition that they add, for the excess, an equal amount of gold to their reserves.

In like manner the Bank of England may issue an indefinite number of notes beyond \$16,800,000, but against each pound sterling of these additional notes it must hold a pound in specie, of which one-fourth may be silver, but in practice is all gold. The act also provides that the note-issuing department of the bank shall be kept entirely distinct from the banking department, and it is as much so as if the two were separate institutions. Both Sir Robert Peel and Mr. Gladstone are on record as declaring that note issuing is not banking, but quite another function.

The practical working of the Peel bank act is that at the end of last month the note issues of the Bank of England, covered only by Government securities, amounted to \$16,800,000, and those covered by gold to \$34,500,000 more, making a total of \$51,300,000. Of this amount \$25,900,000 was held by the banking department as reserve, leaving only \$25,700,000 in the hands of the public. The latest report of the other banks of the Kingdom shows that the outstanding circulation of the English and Welsh private banks is the trifling amount of \$211,000; that of the English and Welsh joint-stock banks, \$1,100,000; that of the Scotch banks, \$7,275,000, and that of the Irish banks, \$5,900,000, making a total paper currency of about \$40,000,000. All the rest of the currency used in the United Kingdom is gold and silver coin, of which the gold coin is computed to amount to between \$90,000,000 and \$95,000,000, making the total of all kinds of currency in actual circulation from \$160,000,000 to \$153,000,000, two-thirds of which is gold coin.

It thus appears that the only elasticity permitted to the British currency, except in the case of the English and Welsh private and joint-stock banks, is that proceeding from increases and decreases of the stock of gold in the country. The circulation of the excepted banks may lawfully be expanded from its present volume of \$1,320,000 to about \$4,500,000, but that is all.

For instance, the rise and fall of the circulation of the English joint-stock bank in 1895 are shown in figures to have been between \$1,144,899 in May and \$906,081 in August, while those of the private-bank circulation for the same year were from \$720,329 in May to \$643,819 in August. The total difference between the lowest and highest point is, therefore, but \$224,598, while between the \$27,113,025 of the circulation of the Bank of England in October, 1895, and the \$24,629,005 in February the difference was \$2,483,920. The lowest point of the Scotch bank circulation in 1895 was \$6,276,907, in February, and the highest, \$7,764,561, in November.

In Ireland the circulation of the Bank of Ireland in July, 1895, was \$2,310,000, while in November, 1895, it was \$2,773,126. That of the Irish joint-stock banks was \$3,598,317 in September, 1895, and \$4,311,956 in November. Thus the total elasticity of the bank currency of Scotland and Ireland amounted in 1895 to but \$2,064,328. Adding to this the \$224,598 expansion of the English and Welsh banks and the \$2,483,920 of a like expansion of the Bank of England makes altogether \$5,772,846, or barely 5 per cent upon the Kingdom's \$190,000,000 circulation.

According to the monthly reports of the Treasury Department of the United States the amount of currency of all kinds in circulation in this country on February 1, 1895, was \$1,530,720,607. On July 1, 1895, the amount had fallen to \$1,508,755,210, and on the 1st of the present month it had risen to \$1,605,977,653. Here is an elasticity in one year of \$156,222,443, or nearly 10 per cent, being double the percentage of the fluctuations in the currency supply of Great Britain during 1895.

#### BANKING SYSTEM OF FRANCE.

The French banking system is perhaps the simplest in the world, but it would be unsuited to our wants and could not be operated in this country. It makes no provision for the safety of bank issues over and above deposits. All the liabilities of the Bank of France stand upon an equality, and all are charges on the general assets. That may do where there is but one bank of issue for a whole nation, but would not do for a country where there are

nearly 4,000, and others can be organized ad libitum under a free banking law. There are to-day less than 300 places in all France where banking facilities are found, and all are tributary to the Bank of France. In Pennsylvania alone there are twice that number. The notes of the Bank of France are legal tenders, and there are no others. The limit of issues at this time is \$800,000,000, or 4,000,000,000 francs, all redeemable in specie. The uncovered notes amount to about \$32,800,000.

But the Bank of France is not perfect. Before it had been in existence, under its present organization, fifteen years there were three runs of note holders which made it necessary to limit the amount of daily redemptions. In 1848 specie payments were suspended, and again in 1870, and were not resumed for seven years. Still, for a country like France, their system operates fairly well. In our country it would be a total failure. The rate of interest is fixed in Paris without much regard, it is said, for the needs of the country, and the managers make money plenty or scarce.

Thomas H. Benton tells how the philosophic Voltaire, from his retreat in Ferney, gave a description of the operation of the Bank of France by which he was made a winner without the trouble of playing. "I have a friend," said Voltaire, "who is a director of the Bank of France, who writes to me when they are going to make money plenty and make stocks rise, and then I give orders to my broker to sell; and he writes to me when they are going to make money scarce and make stocks fall, and then I write to my broker to buy; and thus at a hundred leagues from Paris, and without moving from my chair, I make money."

#### BANKING SYSTEM OF GERMANY.

The German system in some points resembles our own. Their currency consists of imperial treasury notes and bank issues. The former are limited in amount to, and are secured by, the gold set aside as the war fund. They are legal tender in private transactions, and are receivable at par at all public offices in the Empire, and are redeemed in coin at the imperial treasury. Of these notes there are out now, approximately, \$30,000,000. The banking act of 1874 limited the right of issue to the imperial bank and thirty-two independent banks, with the right of the imperial bank to take up the issue of any bank that surrendered it, as in the English system. The independent banks of issue do not now exceed thirteen in number. There is no limit to the possible issue of those banks, subject to 5 per cent on all in excess of a certain limit.

This is the familiar elastic limit which has worked well in Germany, and was adopted to correct the supposed disadvantages of the rigid provisions of the English banking act. The elastic limit has been availed of several times by the smaller banks and by the Reichbank in 1881, 1882, 1883, 1886, three times in 1889, and possibly since that time, but I am not advised. It is believed in those instances to have been beneficial in mitigating the severity of panics. As in France, the law gives note holders no special lien on assets in preference to other creditors. All share alike. The Imperial Bank has 240 branches throughout the Empire—less than half the number of banks in Pennsylvania. The amount of uncovered notes is about \$90,400,000.

Those who ridicule our Treasury system of issue and redemption and call it "banking business" seem to forget that some of the foreign systems they extol possess the same feature. In Canada the minister of finance redeems all Dominion notes in gold as presented. In Germany all imperial treasury notes are redeemed in gold at the imperial treasury, and in substance, if not in form, the same operation takes place in England and France, for the Bank of England and the Bank of France are quasi government institutions largely controlled by government agencies and transact the financial business of their respective Governments.

It is thus easily seen that while these foreign banking systems have special adaptations to the conditions of the countries in which they are operating, and while they have certain features common to our own, they would not suit our country and could not be operated here as successfully as our banks under our democratic-republican-American free banking law.

#### ELASTICITY OF CURRENCY.

But it is said in these latter days that a currency secured by bonds can not be elastic. It has even been said by some writers that elasticity is incompatible with absolute safety. If this is true, then we are driven to elect which we will have at the cost of the other. When such an alternative is presented to the American people, they will not be long in pronouncing their preference for safety. The idea, however, that safety and elasticity are incompatible qualities proceeds, in my opinion, from a misconception of what constitutes elasticity. This, indeed, is the very crux of the whole matter. The idea of it is variously stated by different writers, but the substance of it, divested of unnecessary verbiage, is that the amount of circulation adjusts itself to the needs of business, going out when needed and coming in when the need has passed.

Now, it is obvious that to put out notes when the need arises requires that they be on hand when no need exists. The bank

must be oversupplied when the need is less in order not to be undersupplied when the need is great. This involves keeping notes idle in the vaults at times, and unless the bank can obtain the notes on conditions which will enable them to keep them idle at times without too great loss, elasticity is impossible. The situation is developed in the following examination of Mr. Butler, president of the National Tradesman's Bank of New Haven, before the Banking and Currency Committee of the Fifty-third Congress, which I take the liberty of reading:

Mr. BROSIUS. I desire to bring into more distinct view your thought upon the real nature of the difficulty of inelasticity in our present banking currency. If I understand you, the chief difficulty is that in order to have an elastic paper currency the banks must be able to keep on hand at times a greater amount than is needed in order to have it to use at other times when the need is greater?

Mr. BUTLER. Yes, sir.

Mr. BROSIUS. The portion of the currency which the banks are required to hold idle must not cost them too much. Under the present system you say it costs the banks too much to hold any amount of idle notes for issue when the need increases.

Mr. BUTLER. That is correct.

Mr. BROSIUS. That is the idea, is it?

Mr. BUTLER. Yes, sir.

Mr. BROSIUS. Then in order to have the volume of currency sufficiently elastic the banks must get that currency gratuitously; they can not afford to pay anything for it. Is that the idea?

Mr. BUTLER. They can not afford to pay very much for it.

Mr. BROSIUS. When the banks themselves issue the notes, as proposed in your plan, that costs them nothing?

Mr. BUTLER. No.

Mr. BROSIUS. And when the notes are required to lie idle in the bank, there is no expenditure on the bank?

Mr. BUTLER. That is correct.

Mr. BROSIUS. But they have to spend a part of their capital for the bonds to secure their notes, and that costs them too much. Is that the idea?

Mr. BUTLER. That is correct.

Mr. BROSIUS. Now, suppose the bonds of the Government were sufficiently abundant to be obtainable with ease, and that they paid a sufficient interest, so that the banks could afford to hold in their vaults at all times a sufficient amount of currency to use when the need increased—you understand me?

Mr. BUTLER. Yes, sir.

Mr. BROSIUS (continuing). Without any loss to the bank; then the elasticity would not be diminished, because the currency would be based upon Government bonds as security.

Mr. BUTLER. On the condition that the bonds carried the rate of interest that the bank must make on its loans, and only on that condition.

It is thus evident that elasticity does not concern itself with the source from which the notes emanate, nor the character of the security behind them, but only about the fact of their presence or absence when needed. The authority to issue notes and the incentive to do so result in the act of issue. From the union of power and profit springs elasticity. Any system of banks, whether national or State, which has authority to issue notes, and there is sufficient incentive in the profits to do so, will supply an elastic currency. The note in bank waiting to be used, whether it is issued on Government bonds or against the credit of the bank, goes out to meet a demand and returns when the demand ceases. If the note is not there, because the bank could not afford to keep it in waiting, or for any other reason, the need goes unmet, and the currency is inelastic because it does not adjust itself to the needs of business.

The conditions of elasticity may be present in a bank without any circulation at all if its deposits supply all the money it can use. The Mechanics' National Bank of New York, with \$50,000,000 of deposits, needs no circulation. There is always money on hand to meet any need that arises; and money that costs them nothing they can afford to hold to meet the coming need.

So that, on reason and principle, the conclusion is irresistible that if the cost of carrying a circulation is not too great, and bonds can be supplied that will yield a rate of interest that will make it profitable for banks to issue notes, they will be issued to meet the demands of business, and we will have an elastic currency. But the conclusions of reason, as we would expect, are confirmed by experience and observation, and accordingly we find that during the period when the interest on bonds was high enough to make it profitable to carry sufficient circulation, there was no complaint of lack of elasticity, and circulation steadily increased until it reached the sum of over \$360,000,000 in 1883. That it subsequently diminished and became somewhat less elastic was due in part to the fact that the channels of circulation were filled with Government paper and partly to the cost of the bonds and their reduced interest, making it expensive to carry more circulation than could be used at all times.

#### A CLOUD OF WITNESSES.

In support of these views and of the general excellence of our banking system, I take the liberty of reading some extracts from the reports of the Comptrollers of the Currency from 1880 down to the present.

John J. Knox, Comptroller of the Currency in the years 1880 to 1883, inclusive, said:

The political economists of the world regarded the resumption of specie payments with so little gold and so much paper as impossible. No country had ever won such an achievement. They said no nation maintains at par a convertible currency which has not in its banks or among its people an equal amount of coin. From the date of resumption our gold holdings increased, coming in from abroad in payment of exports. It has been the practice for a

long time for large sums of money to be annually drawn from the banks of New York by the banks in the interior for the purchase and shipment of grain and other products. The banks in the West and South supply the grain buyers with money, who pay it to the farmers, and by them it is disbursed to the country merchants. It then goes to the wholesale merchants in the larger cities of the interior, by whom it is deposited in the banks and returned again to the money centers of the East.

No nation has ever authorized the organization of banks under a general banking law with the right to issue notes proportionate to capital, except under a restriction requiring a deposit with the government as the basis for the issue of such notes. Banks organized under special charters with large capital might safely issue such notes properly guarded. Under the Suffolk and safety-fund systems, held to be the safest and best next to the national banking system, the annual losses were considerable even in New England. The failure of the bank to pay its notes would throw discredit on the whole volume of the currency. It would be better that the circulation should diminish in volume than that the issue should be increased at the risk of placing in the hands of the poorer classes uncurrent and irredeemable circulation, or to give to circulation issued by unscrupulous men an opportunity to use an excellent system of banking for bad purposes. I think as long as we have enough United States bonds outstanding legislation should be shaped so as to continue them in use as a basis for national-bank circulation.

Henry W. Cannon, Comptroller in the years 1884 and 1885, said:

There is no doubt that the national banking system has been of great value to this country in many ways other than the supplying of a sound and almost perfect paper currency. This form of currency, which can be increased or diminished in accordance with the natural laws which control business, should be continued in preference to any other now permitted by law. It is extremely doubtful whether after the experience of the last twenty years the people would be satisfied with a currency based on any security other than United States bonds.

The reduction of circulation of national banks has been due, in addition to the call of bonds, to these causes: Small profit remaining to national banks on circulation; reduction in rates of interest throughout the country occasioned by the abundance of money in the financial centers; uneasiness among bankers as to the outcome of the increase of silver in the Treasury, indicating that possibly the interest on the public debt and some portion of the principal might be paid in standard silver dollars, and Government bonds might thereby become depreciated in foreign markets, which would affect their price in this country.

William L. Trenholm, Comptroller from 1886 to 1888, inclusive, said:

As long as the bonds remain the national-bank currency will continue to enjoy the confidence of the public. The national banking system will always stand splendid in history as an example of financial skill successful under very difficult circumstances. The Treasury will be in a better position than now to maintain silver coinage at par with gold. The banks will hold specie more largely than now, and this will relieve the strain on the Treasury. Our national banks are the best that ever existed in this or any other country.

Edward S. Lacey, Comptroller of the Currency from 1889 to 1891, inclusive, said:

The history of national banks shows that the system is not only adapted to the changed conditions developed by the lapse of a quarter of a century, but is also suited to the wants of the inhabitants of widely separated States, living under varied social conditions and transacting business in accordance with customs as dissimilar as climate and race differences can produce on this continent. It is the most extensive, complete, and successful banking system that has ever existed in any country. Has any other ever furnished such complete security to depositors, such low rates of interest to borrowers, and such prompt, reliable, and cheap service in the way of collections and exchanges? Has any other ever furnished a superior circulation to the people, or done more to unify and harmonize the financial interests of all portions of the country?

The retirement of bank notes is rendering our circulation less elastic. Its volume should automatically expand and contract, so as to adjust itself to the varying requirements of business. This can be best accomplished by the redemption of paper money during periods of diminished activity and a corresponding release when the movement of crops and other causes make an expansion necessary. Such an adjustment was facilitated by the use of national-bank notes, for the reason that they did not possess the legal-tender quality, nor were they available for lawful money reserves by the banks. Hence, when a decreased volume of business caused currency to accumulate in the reserve cities, national-bank notes, being unavailable for reserve, were presented to the Treasury of the United States for redemption. Their temporary retirement was followed by reissue, and a healthy expansion resulted when an increased circulation was demanded. The coin and paper money of the Government is inelastic because it possesses the legal-tender quality and is available for lawful money reserves.

A. B. Hepburn, Comptroller of the Currency in 1892, said:

The Government, in the very nature of things, can not supply an elastic currency. The national banks can and have supplied this want fully and completely. Large appreciation of the price of United States bonds, long depreciation in rates of interest, and onerous taxation have made circulation unprofitable, and the volume has fallen from \$362,869,134, on September 30, 1882, to less than \$200,000,000 in 1895. All solicitude as to what shall serve as a basis for circulation when Government bonds cease to exist is premature. There is likely to be no reduction in the near future in the amount of bonds. There is money enough, and everybody can get it who has an equivalent value to give for it. Any bank in any part of the country can have money shipped to it at a cost of 15 cents per thousand dollars in paper; but such bank must have the collaterals or of course it can not get the money. Right here is the trouble. The clamor for more money comes from the newer, less developed sections of the country, and from people who have nothing to sell that anyone wants to buy, or their securities are not satisfactory. People can always borrow on good security. People with any equivalent of money can get it. The law ought to be changed so as to allow the deposit of \$1,000 in bonds as a minimum. Our national banks have given our country the best currency and the best commercial service it has ever had, and the good, solid business of the country can be relied upon to protect and preserve the system.

James H. Eckels, Comptroller of the Currency from 1893 to the present time, in his report for 1893 said:

Aside from the recommendations I have made to relieve the banks of their burdens, the public good will be best subserved at this time by making no radical change in the provisions of the law. The financial situation of the past months was not the result of either a lack in the volume of currency or a want of elasticity in the present system of issuing it, but came from loss of confidence on the part of the people in the solvency of the monetary institutions of the country. It is worthy of note and of serious consideration that



at the very time the scarcity of the currency for business purposes was at its height the country's volume of currency was increasing the most rapidly and the amount per capita was the largest. Under the conditions which existed from May to September no system, no matter how elastic, or volume of currency, however large, could afford relief.

In his report for 1894 Comptroller Eckels said:

The complaint made against the present system is that, lacking in elasticity of issue, it fails to meet as fully as it ought the varying wants of the country's trade. This defect must attach to every scheme for currency issued by the banks against a deposit of bonds, the market value of which fluctuates while the percentage of issue remains the same. It is safe to say that a note-issuing bank's best assets are its good business notes falling due and paid each day.

It is worthy of note that this is the first intimation from any Comptroller that currency based upon bonds deposited could not be elastic.

In his report for 1895 Comptroller Eckels said:

It might be well for Congress to make it more profitable for banks to issue notes. National banks would largely increase their circulation if the embarrassments arising from the needless locking up of a large part of their capital and the lessened profit through taxation did not confront them. They certainly would do so if the legal-tender issues of the Government were paid and canceled and the channel now clogged by them freed for bank-note circulation. It has been demonstrated that issues made direct by Governments are expensive, and under every circumstance a source of danger and loss to the people's interests. No clearer proof of this could be had than that furnished by the difficulties which we have witnessed on the part of this Government in its efforts to maintain the full credit of its practically limitless amount of demand obligations.

Worthy in every way to be associated with what I have just read is the encomium pronounced upon our national banks by the late Hon. Samuel F. Miller, associate justice of the Supreme Court of the United States. In his work on the Constitution, Justice Miller says:

It is a matter of interest, which I can not forbear to mention here, that the present national-bank system, in my judgment, and in that of many thinking men, statesmen, and financiers, is the best that the world has ever seen.

A banking system that deserves to be thus extolled can not be wholly bad at any point; and, as a matter of fact, our bank currency has been subjected to tests which demonstrated its possession of a high degree of elasticity. No system of banking could meet all exigencies. When nearly \$400,000,000 of deposits are withdrawn from the banks and pocketed by the people in five months, as was done in 1893, no freedom of issue consistent with safety would supply the need. It requires more than a flood of currency to relieve a panic. In September and October, 1890, the circulation was increased nearly \$63,000,000, yet the New York banks held less than in August. It was hoarded by the people. In ten months from July 1, 1893, the circulation increased nearly \$150,000,000, and then shrank in a few months \$50,000,000, leaving the increase \$100,000,000. From July 12 to October 3, 1893, nearly \$30,000,000 was added to the bank circulation. There was an increase of \$3,250,000 of bank currency from November 1 last to March 16 last.

In the year ending October 31, 1896, there was a net increase in the circulation secured by bonds of \$26,329,053, and the present volume of circulation outstanding was, on October 31, 1896, \$234,553,807. These figures show a creditable capacity in our currency to increase and diminish according to the demands of trade.

#### A MYTH.

Having made this feeble defense of the elasticity of our bank currency in reply to what is urged against it, I want to say that, while theoretically there is such a quality as elasticity in bank currency, yet, in the extent of its actual effect in practice, it is a monumental myth. McLeod, in his great work on banking, says the circulating medium of a country is the totality of its money and credit, that any addition to the credit currency has the same effect as if gold had come from the mines. The business transacted in this country calls into requisition but 2 per cent of coin and 6 per cent of paper money and 92 per cent of credit money.

In the nature of things, slight variations in the amount of the 6 per cent of our aggregate medium of exchange can not seriously affect the course of business, provided the remaining 92 per cent remains unimpaired. Credit money through the agency of banks and clearing houses performs the function of exchange more effectively than actual money, and in proportion to the extent of its use the necessity for actual money diminishes. Professor Sumner, in his *History of Banking*, says:

If a bank could get all the transactions in its hands, all the promises to pay everybody, it would need to pay nobody. The whole would be resolved into a book transaction. If all the people in a community would find themselves in a snarl of debts, so that no one could move, there would be a thread of mutual obligation running through the whole which, if it could be found, would liquidate them all, and this miracle is performed by the operations of the bank.

Credit money is infinitely elastic. Business creates it, and when no longer needed, it goes out like an exhalation. This is shown by the reports of the clearing houses of the country. Mr. Harvey, in his work on money, likens credit to a top which gyrates on a small metallic point sufficient to support it as long as it spins rapidly, but inadequate when the rotary force is relaxed. Credit is the rotary force of our financial system. So long as this force

is unimpaired the system spins merrily on, but when it fails, the top wobbles.

#### RETIREMENT OF LEGAL-TENDER NOTES.

Another remedy proposed is the retirement of the legal-tender notes and relegating the issue and redemption of all paper money to the banks. To this I am unalterably opposed. The suggestion to convert \$300,000,000 noninterest-bearing into an equivalent amount of interest-bearing debt will be repelled by the almost united acclaim of the American people.

They are attached to this child of war. Some one has said that for sixteen years our legal tenders were redeemable in patriotism. That is true, and that is a good redeemer. It not only redeemed the legal tenders, but the Union as well. After that memorable redemption, patriotism and faith in the national honor lifted the legal tenders to par in gold the world over. John Sherman's praise of the legal tender is none too lavish, and I quite agree with him that a note issued by the Government redeemable in gold is the best currency we can adopt, at least for the minimum amount, and it will be the currency of the future, not only in the United States but in England as well.

The few who advocate their retirement are sincere and honest, but, I think, mistaken. The fact that it meets with no general acceptance perhaps supersedes the necessity for further discussion; still it may not be unprofitable to consider the claims advanced in its behalf. However alluring that theory may be to sanguine minds, I doubt if any monetary mechanic is able to make the working drawings for such a plan. It is not practicable, in my judgment it is not possible, in this country, in view of the conditions under which the undertaking would have to be carried into execution, for the banks to maintain gold redemption of the enormous amount of paper which would be in circulation.

Think of the situation with a monetary stock of \$800,000,000 of gold, \$300,000,000 of silver, and a thousand millions of paper, as might easily be under some of the many bills now pending, with the Government out of the banking business, whatever that means, issuing no notes and redeeming none, keeping no gold reserve and exercising no control over the money of the country, the entire business being surrendered to the banks, with a panic brewing after a season of overtrading and inflated credit. The thought of such a situation appalls me, and I am surprised that it does not appall every member of the House. If distrust would arise and a season of anxiety and alarm would prevail, a condition incident to our highly organized and sensitive system of finance and business, and the people doubted the ability of the banks to redeem their paper in gold, or supposing the pressure for gold for the settlement of foreign balances with price of exchange above the shipping point produced a gold stringency, what a rush there might be upon the banks for gold redemption of notes; and who will risk his reputation for financial acumen and foresight by asserting that the banks would be equal to such an emergency?

We must not forget that if we should adopt this ostrich method of getting out of sight of danger by putting our head in the sand, we do not relieve the main difficulty. The body of our trouble remains exposed. A demand for gold for export must be met whether the metal is in the vaults of the Treasury or those of the banks, and the Treasury with an accumulation of gold is a more suitable agency to meet such an exigency than the banks, upon which the draft might come with such inequality that while some could meet it others could not and would have to suspend. It must be apparent to the least observing that a given amount of gold in a consolidated fund is more effective as a reserve than it could possibly be if divided into 4,000 parcels, each bank having a share.

John Stuart Mill argues with great force and commanding reason that there ought to be a central establishment alone required to pay gold, the others being at liberty to pay their notes with those of the central establishment. The object of this is that there may be one body responsible for maintaining a reserve of the precious metals sufficient to meet any demand that could reasonably be expected to be made. This is the system of the United States, though it was not in existence when Mill wrote his great work on the principles of political economy.

It is on the same principle that the clearing house is able to render such effective service if not in averting at least in avoiding the worst consequences of bank suspensions. The demands of depositors sometimes exhaust the weaker banks and compel suspension of payment. If this occurs in one bank it is likely to lead to excessive demands on other banks. Illustrations of this are found in the crises of 1873, 1881, 1890, and 1893. By combining, or "pooling," the reserves of all the banks and making a common fund all the weaker ones were saved by the strength of the stronger ones, and the panic at least mitigated.

The suggestion that a business man having outstanding demand obligations would fund them or pay them off with funds in hand is a truism, but has no utility in this discussion, for the situations are too dissimilar to admit of reasoning from one to the other. The so-called demand obligations of the Government are not intended to be paid. They carry no interest; they are a part of the

volume of our money, an annex to our circulation. Their redemption is only their exchange for gold, and when exchanged they do not relinquish their character as money, but are equivalent to gold in the payment of the expenses of the Government. What business man having obligations out in the form of notes that are non-interest bearing, and can be utilized in the payment of his expenses as so much gold, would borrow an equivalent sum and pay interest on it to liquidate the noninterest-bearing obligation? Certainly no man would do so in his lucid intervals.

#### ENDLESS CHAIN.

But, it is said, the retirement of the legal tenders is necessary to break the endless chain. Under normal conditions of faith and confidence there would be no endless chain. For fourteen years there was none. But when conditions supervene which require an endless chain, it will be created in one place or another as long as paper currency is issued redeemable in gold. If the banks redeem, the endless chain will draw their gold as effectually as it draws it from the Treasury when it is needed for export in payment of foreign balances. The English method of protecting reserves by regulating discount is not available to us.

#### ENGLISH METHOD.

Under normal conditions of trade and confidence this method works well where a single institution, like the Bank of England, contains all the reserves and by raising or lowering discounts regulates the rate of interest throughout the country. Under that method this is the sequence of events: First, unfavorable exchange; second, an outflow of gold; third, low reserves; fourth, increase of discounts; fifth, scarcity of money; sixth, fall of prices; seventh, favorable exchange and return of gold, effecting a restoration of the equilibrium. England being a creditor nation and the stability of her monetary standard enjoying the confidence of the world, the laws of trade and exchange have their normal operation, and the results seem satisfactory.

But such a method would utterly fail in this country under our free banking system because entirely unsuitable to our conditions. If we were to attempt to protect reserves by regulating discounts, there might be as many rates of discount as there are banks in the country, each one raising or lowering it to suit the state of its reserves. But to employ this futile and ineffectual method would require that every bank in the United States exercise unrestricted liberty in fixing rates of discount, as the Bank of England does, and this would require the overthrow of all the laws of the States governing the rate of interest and subject to which all discounting is done in the national banks to-day.

But if this labor of Hercules were performed, all the State laws repealed, and all the banks compelled to act in concert, how would it meet a situation such as we experienced in our recent Treasury difficulty? That was a situation, it must be remembered, that was not amenable to the normal operation of the laws of trade and exchange, under which unfavorable exchange tends to work its own cure. In the very midst of our trouble the trade balance was largely in our favor, yet exchange was heavily against us. A condition existed which even in England would have rendered her reserve-protecting method wholly abortive. The credit of our system of finance was shaken and confidence in the stability of our standard and our ability to redeem our obligations in the money in which they were contracted was impaired throughout the commercial world.

What brought this calamity upon us I will not stop to inquire. The surgeon diagnosing a gunshot wound does not inquire whether the gun was discharged by accident or design; that is a question for the district attorney. We realized what England realized in 1866—that the economic law which regulates the distribution of money among nations under normal conditions is suspended in the pressure of shattered credit and confidence, and that in such a case the rate of discount does not control the flow of gold. No rate of interest will attract capital when there is a doubt whether the principal will be paid. Accordingly, foreign investments were withdrawn from the United States in spite of opportunities for investment because of the fear that we would abandon the gold standard.

#### DEBTOR NATION.

Being a debtor nation, it was in accordance with every reasonable expectation that under such circumstances our securities held abroad should return and turn exchange against us. Our annual foreign liability, outside of our trade account and unregistered in custom-houses, amounts, it is believed, to at least \$300,000,000. This is made up of the following items:

Interest on a foreign indebtedness of .....	\$300,000,000
Expenditures of Americans traveling abroad .....	75,000,000
Freights paid foreign shipowners .....	36,000,000
Total .....	311,000,000

Will you stop to think how long we could supply this amount of gold if it should be demanded annually, without borrowing or buying it? No device of banking can hold our gold against a for-

eign balance, or absolve us from the obligation to liquidate foreign obligations when presented, short of a suspension of gold payments. Does anyone believe that a matter of such transcendent importance to the American people as the suspension of gold payments can be safely left to the determination of private banking institutions, influenced as they are by the principle of enlightened selfishness? Can there be a reasonable doubt that wisdom, if not patriotism, demands that the Government of the United States should keep the control of a matter affecting the interest of every citizen and the honor of the country?

It is said by some that the banks are better adapted to the regulation of our finances than the Government, and that they have facilities for obtaining gold that the Government does not enjoy. But this view is wholly untenable. In a crisis such as we have passed through, when gold had to be borrowed or bought, how could the banks obtain it? Their credit is inferior to that of the Government. They are, taken singly (and they are independent of each other), weak in influence and limited in means. But the Government in an exigency can command gold from the four corners of the globe as long as the credit of the nation is good.

It is my firm conviction that if the obligation of gold redemption had been on the banks exclusively in our recent experience, gold payments would have been suspended in the United States. With the reserve divided into 4,000 parcels, in the custody of 4,000 institutions, with an export demand falling not ratably upon each but unequally, the bank that could not meet the draft would suspend; that would cause others to suspend, for when the strain was on one section the banks in another would be reluctant to afford relief, lest the stress reach them the next day. The result would be that one at a time, and most likely in rapid succession, the banks would refuse gold payment.

#### THE BANKS ALONE CAN NOT MAINTAIN THE PARITY.

But there is an objection of still greater gravity to which I now call your attention, and I am sure you will recognize the extreme urgency of its claim upon your consideration. When we have retired the legal tenders, parted with our gold reserve, gone out of the banking business, restricted the Government to its legitimate functions of collecting the revenues and paying the expenses of the Government, having gone that far, we can not stop. One other step we must take under the compulsion of logic and consistency. We must repeal the provision of the act of 1890 declaring it to be the established policy of the Government to maintain the parity of the two metals.

What use would such a law have after the Government had relinquished all control over the redemption of money, surrendered to the banks its agency in keeping all our money equal in purchasing power, and voluntarily abdicated its sovereignty over its own money? It would be a word of promise to the ear to be broken to the hope. It would be a pledge without the power of redemption. What power can it wield, what influence can it exert, to maintain the parity of our money and redeem the pledges of the nation after it is deprived of the right to issue, control, and redeem; what other possible agencies are there for maintaining the equality of our money? When the Government has washed its hands of this responsibility and turned it over to the banks, are they equal to the task?

When the legal tenders are gone, the banks would necessarily redeem their notes in gold or silver, or both. To keep up the credit of their notes, issuing banks would have to elect, as the Government now does, to pay in gold. Does anyone believe they could do so? If money is needed to pay foreign balances, it must be obtained by exchanging notes for it or it must be bought in the market, and in that event it goes to a premium. Who knows whether the banks with half their reserves in silver will not redeem in white money instead of yellow; and if they do, the parity is gone and we are on a silver basis. Who can tell how soon the demand for gold at the counter of any bank may exceed its ability to honor the draft, and in such an event silver redemption and gold suspension must ensue. In such an event, is any man bold enough not to tremble when he contemplates the disaster that must follow in its wake?

With the volume of our money consisting of three nearly equal parts of gold, and silver worth half its face, and paper worth nothing only as it acquires value by convertibility, how is the equality of all that money to be maintained? Silver is now the equivalent of gold in purchasing power. It is held to that equivalence by the power of a people's faith in a nation's pledges. Could the banks of the United States hold it at that level? We have witnessed how at times the strongest faiths wavered and the stoutest hearts faltered in their belief in the power of the Government to maintain the parity. The overshadowing and paralyzing doubt of this has kept us in a boiling caldron of anxiety and alarm, to the disturbance of business and the confusion of our finances.

If great alarm prevails now, when all the wealth of the United States is behind silver to hold it up and maintain it, so that the people hoard gold and greenbacks and hurry silver and silver paper out of their hands as speedily as possible to the embarrassment of the Government, how much more apprehensive would



they be with more than half the coin in the country depreciated 50 per cent, with only the national banks behind it to maintain its parity? It looks to me as plain as the way to parish church that while we are using silver on a gold basis, with the disparity in value now existing, we must keep the Government in a position to protect it or we are in imminent peril of serious disaster at any time.

Let us not deceive ourselves in this, wherever else we may go astray. The consequences are too grave to admit of experiment. The contention that the undertaking can be entered upon with safety is entirely fallacious, utterly illusory, as unsubstantial as the baseless fabric of a dream, and if I thought there was danger of the Government entering upon so rash a venture I would solicit, entreat, and pray that our hands might be stayed before we put them to the depreciation and degradation of the money of the United States and the infliction upon our people of the loss, the suffering, and misery that must ensue.

#### REINFORCE THE RESERVE.

This brings me to the larger and more interesting proposition which has for its object the reinforcement of the gold reserve by utilizing for that purpose the idle silver bullion in the Treasury vaults and the United States mints. The main point I have in view is to strengthen the reserves and restore public confidence. It is time we had ended the stupendous folly of keeping \$100,000,000 worth of silver bullion in utter idleness, not available even for the redemption of the notes issued for the purchasing of it.

A bill for this purpose should provide for uniting the unappropriated and idle silver bullion purchased with the Treasury notes of 1890 with the gold reserve, constituting a consolidated reserve redemption fund to be set apart and kept separate and apart for the exclusive purpose of redeeming our legal-tender paper. In the operation of redemption the Secretary of the Treasury should have the option of using gold, or silver bullion at its gold value in the leading markets at the time the paper is presented, or to redeem in silver dollars at the option of the holder. When the United States legal-tender notes are redeemed, they should be reissued as under existing law. The Treasury notes of 1890 when redeemed in silver should be canceled and retired. The gold fund should be maintained as under existing law, and the silver portion, when in the judgment of the Secretary of the Treasury it requires reinforcement, by the purchase of silver at the market price with any surplus in the Treasury or at the option of the Secretary of the Treasury with Treasury notes of the same character as those of 1890.

The consideration which impels me to retire the Treasury notes of 1890 when redeemed in silver is twofold. First, it keeps the treatment of the notes in harmony with existing law, which forbids any of them to be outstanding in excess of the cost of the silver bullion, and the standard silver dollars coined therefrom then held in the Treasury purchased by such notes.

In the second place, I am of opinion that it would be better for our monetary system if the Treasury notes of 1890 were redeemed and canceled. The United States legal tenders, known as the greenbacks, constitute as large a volume of Government paper as it is prudent to maintain. That amount we can safely and wisely keep out on the principle advocated by John Stuart Mill, which, I think, is sound, that the minimum amount of paper money needed in the circulation should be supplied by the Government, leaving the balance of the volume to be supplied by the more elastic bank currency.

Nothing would be more likely to stiffen up the public faith in our intention and ability to maintain redemption in gold or its equivalent as to lay \$100,000,000 of silver by the side of our \$100,000,000 of gold and pledge it all at its gold value to the redemption of Government paper, using one or the other at the option of the Secretary. If we had done so three years ago, I do not believe we would have had any need to borrow a cent in the recent exigency. It would have operated in two ways: First, it would have increased the supply to meet any necessary demand for redemption, and it would have curtailed the demand, because people bringing notes for gold, finding they would get silver of equivalent value, would conclude they could do without redemption. The unmistakable effect would have been to check the endless-chain performance.

The Treasury has been crippled for lack of the kind of money it could use for redemption purposes, though it had an abundance of value in the next vault. J. Lawrence Laughlin says: "It is like an army with guns but not sufficient ammunition of the right size; plenty of cartridges, but not of the right caliber; they won't fit the gun." We have an arsenal pretty well filled, but not available. One hundred million dollars silver bullion made available for redemption would enable the Treasury to do vastly more work without buying gold. We should not have so much useless ammunition. The Treasury should be in position to defend itself with the silver it has at its gold value. This large accession to our reserve would tend to dispel the fear that is lurking in many quarters that some portion of our paper money will sooner or later be redeemed in silver dollars. In addition to that, it would

give additional credit to the Treasury notes by placing their full face value in bullion behind them and make it available for their redemption at its gold value.

No one can say that this use of the bullion is a degradation of the white metal. It is directly the reverse. That bullion is in the mud now; it can get no lower. It is dishonored and cast down. It is not even permitted to be useful. This will lift it up toward its lost estate and give it the rank and dignity of money. It will be as suitable for export as gold, and, being used at its gold value, no one can suffer injustice. The danger of loss by a fall in price before it reached its destination abroad presents no practical difficulty, for putting silver to use will be more likely to sustain the market than to depress it, and the holder would be more likely to make than lose.

Lesley C. Probyn, in the Journal of the Royal Statistical Society of London, says that in the United States the large stock of silver held is absolutely useless in maintaining the parity of that metal with gold. He says our currency would be in much sounder condition if the entire holdings of silver were converted into gold. "We are living in a fool's paradise," says this writer, "and the liability on account of the currency is concealed by the creation of a fictitious asset in the form of the difference between the nominal and real value of the silver held in the Treasury." It will be remembered that Secretary Windom, in his annual report for the year 1889, recommended the issue of Treasury notes against deposits of silver bullion and the redemption of the notes in bullion at its market value. In his own words, the proposition was:

Issue Treasury notes against deposits of silver bullion at the market price of silver when deposited, payable on demand in such quantities of silver bullion as will equal in value, at the date of presentation, the number of dollars expressed on the face of the notes at the market price of silver, or in gold at the option of the Government, or in silver dollars at the option of the holder.

But I would apply the same mode of redemption to all legal-tender paper, otherwise we might discredit one portion of our money. While we are maintaining the parity of all our money, like kinds of paper should be treated in like manner. The Windom idea met with quite general acceptance, and accordingly it was embodied in a bill and introduced in the Fifty-first Congress. It was reported favorably by the Committee on Coinage, Weights, and Measures, and passed the House. In the Senate it was converted into a free-coinage bill, and in the conference committee it underwent another transformation and came out the act of 1890.

Mr. Windom, in his report, says the advantages of retaining the option to redeem in gold are threefold: First, it would give additional credit to the notes; second, it would prevent the withdrawal and redeposit of silver for speculative purposes; third, it would afford a convenient method of making change when the weight of silver bars does not correspond with the amount of the notes. In the course of his argument Mr. Windom brought into distinct view the inexpediency of piling up in the vaults of the Treasury a large quantity of silver bullion which could not be made available for the redemption of the very notes which were based upon it. Singularly enough, that is the precise situation we are in at this time, and it was to improve that situation that I introduced the bill I am advocating.

At the risk of being tedious, I will reproduce some of the advantages of the measure which were presented by Mr. Windom, as far as applicable to our present situation.

#### MR. WINDOM'S PROPOSITIONS.

(1) It would give us a paper currency not subject to undue or arbitrary inflation or contraction, nor to fluctuating values, but based, dollar for dollar, on bullion at its market price; and having behind it the pledge of the Government to maintain its value at par, it would be as good as gold, and would remain in circulation, as there could be no motive for demanding redemption for the purposes of ordinary business transactions.

(2) By the utilization of silver in this way a market would be provided for the surplus product. This would tend to the rapid enhancement of its value, until a point would be reached where we could with safety open our mints to the free coinage of silver.

(3) The volume of absolutely sound and perfectly convenient currency thus introduced into the channels of trade would also relieve gold of a part of the work which it would otherwise be required to perform. Both of the causes last mentioned, it is confidently believed, would tend to reduce the difference in value between the two metals and restore the equilibrium so much desired. It would furnish a perfectly sound currency to take the place of retired national bank notes, and thus prevent the contraction feared from that source.

(4) There would be no possibility of loss to the holders of these notes, because in addition to their full face value in bullion they would have behind them the pledged faith of the Government to redeem them in gold, or its equivalent in silver bullion.

The force of these propositions must be admitted, and it is difficult to discover countervailing reasons sufficient to overthrow them.

In considering the necessity for strengthening the gold reserve by the use of our available silver bullion, it must not be forgotten that when the \$100,000,000 limit was adopted we had but about \$340,000,000 of legal tenders to be covered, whereas now we have nearly \$500,000,000, to say nothing of the silver certificates and bank-note currency. That we need a larger reserve for the work it has to do, I think is too obvious to need to be argued.

Indeed, every consideration that occurs to me bearing upon the application of curative measures to the present situation, with a view to allaying the anxiety, alarm, and distrust which has so long existed, and of reassuring the public mind and restoring that confidence so necessary to bring normal conditions to the help of our monetary system, unites in commending and urging upon the attention of this committee of Congress and of the country, not only the suitability of this measure to the existing situation, but as the most promising form of remedial legislation now possible.

#### FIVE POINTS OF CURRENCY CALVINISM.

These reflections I submit with the hope that they may admonish us against the error of precipitancy. In legislating upon banking and currency we must not fall into the error of supposing that the Treasury difficulties of the last three years are due to defects in our national banking system. They had their origin in quite other and different causes, and the note-issuing function of our national banks had no more to do with them than had the Turkish massacre of Armenian Christians. This is the last subject in the world for experimental legislation. Let the defect clearly appear before we undertake to correct it. Let us make sure that in mending we do not mar our system. Let us hold fast to the five points of currency Calvinism—uniformity, safety, convertibility, elasticity, and sufficiency. While these tenets constitute the standard of our faith and practice we can enjoy the complete and final assurance that in banking and currency at least we are orthodox.

#### The Tariff.

#### SPEECH

OF

HON. JOHN MURRAY MITCHELL,

OF NEW YORK.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. MITCHELL said:

Mr. CHAIRMAN: Our Democratic friends who have a leaning toward free trade are pleased to characterize our attempts to raise revenue as measures increasing taxation, and to blame us for taxing the people more than they are taxed under the present Wilson bill, claiming that when the people are situated as they have been since the Wilson bill was passed—"poverty stricken"—we ought not to increase their taxation.

I have always found in my arguments with free traders that they omit one very important factor in their arguments and conclusions, namely: It costs money to run a government. The whole tenor of free-trade arguments which I have heard from the advocates of the free-trade theory, both on the floor of the House and by those who are not members of the House, has been on this basis. The cost of running the Government is practically omitted.

To-day we are confronted with the fact that the United States Government, a great corporation, is spending more money than it earns, for its receipts must be looked upon as the revenue or earnings of all other corporations. Even our free-trade opponents will admit that if a corporation is spending more money than it makes, it will ultimately become bankrupt, and in the meantime its credit will be constantly impaired.

This Government is by no means bankrupt, but its credit was decidedly impaired, as shown by the panics of 1892 and 1893. The silver men have taken advantage of this impaired credit to advance their theories that the Government was suffering from the gold standard, claiming that bonds had to be issued in order to maintain the gold reserve in the Treasury.

These bonds were issued as mortgages are given and paper issued for loans by business men or corporations when they find that they have spent their surplus and can not continue in business unless they have more money. Unfortunately, when the Government borrows money, it must, under our laws, borrow it for a long term of years instead of for a short term. A business house, under the same circumstances, ordinarily issues three or four months paper from time to time as they need more money, and retires this paper when their revenues warrant it. The President of the United States had no such authority, and he was therefore compelled to issue long-term bonds.

We are confronted with a deficit in our Treasury, and it is the duty of Congress, as it would be the duty of a board of directors, to devise some ways and means of stopping the deficiency and putting the country on a sound basis of having more income than its expenses, or to immediately reduce our expenditures below the requirements of the country.

As far as I have been personally able to judge, we have certainly had in our Speaker of the Fifty-fourth Congress and in our chairman of the Appropriations Committee two most able men, who have done their utmost to keep down to the lowest possible limit the expenses of this Government.

No one can doubt this who is acquainted with the numerous bills of the Fifty-fourth Congress which would have called for the appropriation of large sums of money. Most of these bills were never heard of on the floor of the House. Had they been, many of them would certainly have been carried, and our deficiency would have been by that much the greater. The question, therefore, of increasing our revenues is absolutely vital and essential to the maintenance of the credit of the Government and to enable it to attend to its business properly. How, then, are we to raise this revenue?

The policy of the Republican party has been a protective policy. The people have placed the Republican party in power in the executive branch and in the House of Representatives, and the logical conclusion is, therefore, that the majority of the people believe in the principles which have been enunciated in the Republican platform. We naturally, therefore, believe we have the indorsement of the people in our views, and that the majority of the people believe that protection is for the interest of the people of the United States. Conservative protection incidentally and naturally raises revenue, and revenue is what we want.

It has been charged that the revenue placed on many articles by our Ways and Means Committee is too great. I have received communications from many people who claim they are too great in many instances, many from my own district. I referred all these matters to the committee, and discussed them at length and on numerous occasions with its different members. They have carefully considered them, and have proved their freedom from bias by amending the bill as requested by my constituents in at least five cases. In the other cases their arguments seemed stronger than my own people's arguments, and they declined, after careful consideration, to make the amendments desired. They showed in every instance the greatest familiarity with each subject discussed, and had really expert knowledge of it. I believe when you have selected an intelligent, conscientious physician, who has carefully considered and diagnosed your case for many months, that it is better to follow his advice, even if his remedies may be a little disagreeable and even painful to certain portions of your anatomy.

I feel the same way about our Ways and Means Committee, for they have been carefully selected, are certainly most able men, and have devoted themselves to this subject with tireless and unremitting toil for many months, and I therefore believe it safer to trust their judgment as to what is for the best interest of the country at large than to be influenced by the personal bias of certain people whose particular interest may be somewhat injured by this bill.

It is perfectly natural that people should dislike to pay out money and to be taxed, and therefore the free traders have a very enticing argument, which would naturally appeal to the thoughtless, namely: "Follow us, and we will lessen your taxation—lessen the amount of money you have to pay out." If it cost nothing to live, the poorest man could grow rich.

That the protection of our own industries is advisable seems to me to be warranted by every page of history. England built herself up by a system of protection and subsidies. She controls the seas to-day with her merchant marine by a system of protection through subsidies, all of which costs the English Government money, all of which increased British taxation, all of which has resulted in making England to-day the greatest maritime power and the richest nation of the world. These subsidies have been increased year by year. In 1870 the postal subsidies alone amounted to \$18,000,000, and since 1892 have been \$24,000,000 annually. Of this \$24,000,000, about two-fifths is paid to control the vast commerce between the United States and Great Britain. Besides these postal subsidies by the Empire, the colonies, the Dominion and the Australasian islands, are all giving considerable sums in the way of subsidies. Again, there are naval subsidies. All the officers and men on the great steamers that are accepted as cruisers and transports are carried on the rolls of the royal marine and each receives small pay; but the aggregate is a large sum, over 80,000 sailors and officers being added in this way to the effective force of the British navy. If we are to learn by her experience, let us continue to protect as she did until we have the ships—the power and the wealth in our hands. We, too, can then defy competition.

The vast development of industries in our own country shows what protection has done for us. We have to-day the very finest steel rails made in this country at \$18 a ton, whereas a generation ago iron rails cost \$125 a ton. When Thomas Jefferson established the first nail factory near Monticello, nails were sold at 25 cents a pound. The duty on nails has ranged from 90 to 105 per cent, and nails are now selling at \$1.80 per hundred pounds. Little more than a generation ago the best prints made in America sold at 12



cents a yard, English prints at double that price, whilst the finer cotton and woolen goods for women's wear, which were all imported, sold for from 30 to 50 cents per yard. The duty on these articles since the Republican tariff policy was first adopted has been from 60 to 110 per cent, and how American prints as good as any in the world sell for 8 cents, and the finer goods, all American-made, at from 12 to 20 cents. We have the best and cheapest shoes in the world. We have to-day every class of goods necessary to be worn for the comfort of our citizens manufactured in this country, and the workingman can buy as good a suit of clothes here to-day of domestic goods as the English laborer can in England of English domestic goods. It is entirely true that those who wish to wear English broadcloth or French silks must pay a higher price than they would under free trade, and they should pay this additional price.

A great cry has been made by the opponents of this bill of the tax placed by it on the workingman's breakfast table. Let us consider this a few minutes. In the first place, the American workingman is paid better wages by virtue of the protective tariff, which has diversified his employment and enabled him to do something more than mere grain, cattle, or hog raising. If the whole American people were nothing but agriculturists, the competition between them would be so great that the value of their products would be reduced to the smallest possible figure.

I think it was stated on the floor of the House that only 7 per cent of the capital invested in this country is now invested in agricultural pursuits. So much the better for that 7 per cent, as they have the other 93 per cent working at other industries and fed by the 7 per cent. If that 7 per cent complain that times are hard, how much worse they would be if the other 93 per cent were all in the same pursuit with them as competitors instead of being consumers. The competition for their products being great, the price is naturally greater than it would be if everyone was a farmer.

In the same way the competition among the various manufacturing industries makes a smaller number of men who can be employed in any one of these industries. The supply of labor being reduced in each branch by the diversity of employment, there are fewer laborers in each particular line than there otherwise would be, and the price of labor is naturally increased.

That American wages are higher than wages of other countries has been proven by the very intelligent work of the Commissioner of Labor, the Hon. Carroll D. Wright. He shows that the average rate of wages paid to the English workmen is about 60 per cent of that paid to the workmen in the Northern American States, while in continental Europe the wages are about 40 per cent of the amount paid the American laborer.

Starting, therefore, with our American workmen being certainly better paid than they would be were they all farmers, and with the admitted fact—no matter what the reason—that they are being better paid than the workmen of other nations, we come to the tax on their breakfast tables.

There is still a large amount of lumber in the United States, and an abundance certainly to make breakfast tables for all the people in this country. There is, therefore, no tax on that.

His tablecloth he can buy from any one of a vast number of manufacturers in this country competing with each other for trade.

His cooking ware and kitchen utensils, his glass and crockery, are purchasable from domestic manufacturers of the same who are in like competition with each other.

His beef, wheat, pork, ham, beans, butter, and cheese are all purchased by him from producers in their respective lines and from various market stalls which are in lively competition with each other. As no one prefers to import stale milk and old eggs when he can get fresh milk and eggs at home, these articles of the breakfast table pay no tax.

His clothes and his family's clothing (unless he wishes the extravagance of broadcloth and silks of foreign make) he can get from domestic manufacturers paying no tax. In spite of all the trouble trusts have caused our political bodies, there is not a single article of manufacture that I know of to-day which is not cheaper than it was years ago, and which is not being steadily reduced in price by reason of home competition and the ingenuity of the American people in devising more economical means of producing these articles, so as to meet not only foreign but home competition, and so undersell their rivals in trade abroad and at home.

Even the hens have been deprived of their favorite pastime of hatching eggs by the invention of the incubators. These would not have been introduced had it not been found to be economical and to enable the farmer to ultimately have more hens, and consequently more eggs. This is a simple illustration, but the same principle applies to every branch of trade. We find the farmer using improved machinery for the gathering of his grain, and one man doing the work of several score, with much less labor to himself and better wages. The appliances used by him are

manufactured, by virtue of the protective tariff and the skill of American inventors, in our own country, and give employment to thousands of men in this line alone.

These laborers in the machine shops buy the farmer's products and buy their clothes from the manufacturers of domestic goods, who, in their turn, employ thousands of men in their line, and these men all buy the farmer's products. And so on around the circuit, a circuit making a complete nation, self-supporting and independent. Each branch of industry helps the other, and all tend to a homogeneous entity. With this protection to our people and industries, we also naturally get from our imports a vast sum for our Government expenses, and we get this income from those people who must have imported goods, and who would not have them unless they could afford to pay for them.

These so-called tax burdens fall, therefore, not on the poor, but on the well-to-do and the rich, and tend to benefit the poor, not only because they do not have to pay this tax, but because this very tax encourages domestic manufacture and domestic development, thus giving employment in every line of manufacture to many thousands of our citizens. As goods are not manufactured unless there is a market for them, the natural result is that every dollar's worth made in this country is a dollar kept here instead of going to a foreign manufacturer.

In conclusion, I most sincerely hope that this bill, when it shall have finally passed, will be sufficiently conservative to remain a fixed law for a long time to come. We need protection; we need revenue; we also need stability, confidence, and peace; with these assured, our country has nothing to fear.

#### The Tariff.

#### SPEECH

OF

HON. PETER J. OTEY,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Friday, March 26, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. OTEY said:

Mr. CHAIRMAN: I desire to offer the amendment which I send to the desk.

The amendment was read, as follows:

After the word "namely," line 9, on page 1, insert:

"Provided, That on and after July 1, 1897, there shall be paid to every exporter of agricultural products an export bounty of 10 per cent on the market value of said products at the port of shipment on the day of clearance, and to this bounty shall be added 1 per cent on said market value when said products are shipped in American-built, American-manned, and American-owned vessels, sailing under the American flag.

"SEC. 2. That to meet the payment of said bounty the Secretary of the Treasury shall cause to be engraved export certificates in multiples of a dollar, of convenient size for circulation, and issue the same in payment to said exporters, all fractions less than a dollar to be paid in coin; and the said export certificates shall be payable on demand in the lawful money of the United States and shall be receivable for all Government dues, including duties on imports, at their face value, and when so received may be paid out again in the ordinary transaction of the Government, but when redeemed shall be canceled.

"SEC. 3. The Secretary of the Treasury is hereby authorized to make such rules and regulations as, in his opinion, are necessary to carry out the above provisions."

Mr. DINGLEY. Mr. Chairman, I make the point of order against the amendment that it is not germane.

The CHAIRMAN. The Chair sustains the point of order.

Mr. OTEY. Mr. Chairman, the export price of a commodity regulates the home market. The price of wheat in Chicago will be the export price per bushel less the freight charges to New York. So it will be at the country mill less the cost of landing the same wheat at the port of exportation. So the price of the 467,000,000 bushels of wheat produced in 1896 was regulated by the export price of the 126,000,000 exported.

This amendment is no new idea. It is a well-known method of encouraging and protecting agricultural products. It was in operation one hundred years in England. It is now in operation on sugar in nearly all European countries, and on flour in France and Austria-Hungary, and in the United States will be, by way of drawbacks, in this very tariff bill. John C. Calhoun advocated it; Alexander Hamilton advocated it; and the farmer will be in fact paying a bounty to the manufacturer by the operation of this protective tariff bill.

Germany, France, Austria, and Russia pay out millions annually in export bounties, and the United States is the only progressive nation in the world that lays duties at the expense of agriculture.

Mr. Chairman, it is not more taxes and less money, but more

money and less taxes that the people want. It is not more aggrandizement of the rich, but less oppression to the poor that the country needs. It is not protection to classes already burdened with wealth, but the removal of restrictions on the masses that is the crying demand. It is not additional favors to manufacturers in the shape of a double profit, but the removal of double losses on those who receive no favors. It is not class legislation that the people expect, but equal rights for all and special privileges to none. And yet these things are exactly what this bill provides. It is not so much the want of revenue which is adding to our national distress, but the extravagant and wasteful expenditure of the people's money, filched from them under the guise of maintaining the public credit and economically administering the affairs of the Government.

It is the farmer of the country who receives no consideration in this bill. He sees that you have thrown a tub to the whale in placing a duty on some farm products, but observes that you double the price on articles which he has to buy. He knows that he is the real producer of the wealth of the country, and objects to paying 45 per cent additional for harness when all the hides in the world are turned loose to come in free and compete with those which he produces. He does not ask for a duty on straw and cabbage, which you have so generously (?) accorded him, and at the same time invite a clean sweep of his profits on broom corn by passing it through the custom-house free. Your generosity (?) does not cease here, for the fruit of the foreign hen is made dutiable, and the foreign bee is at liberty to furnish wax free. He sees cropping out on his land manganese, bauxite, plumbago, gypsum, and running from his trees tar and pitch and turpentine; his forests abounding with logs, firewood, and hop poles, all of which are admitted from other lands free, and he wonders how this will help him. He sees thousands of other things on the free list, and all paraded as being in the interest of the farmer, and wonders, since ice is among them, why it was that water was left out.

Why it is that you place from 100 to 300 per cent tax on the fish, which is the food of the laboring man, and yet the very things which must come in competition with his labor are admitted free.

Mr. Chairman, this discussion has directed the attention of the women of this great Republic to the iniquities of the bill. No longer will they partake of the love of the beautiful except by paying heavy duty. At random turn to any page of the bill and it strikes at woman.

They will not forget it. Stuffed birds, which are admitted free to adorn the palaces of princes, are, when used on hats and bonnets, subjected to a heavy tax. Feathers and flowers for their hats and bonnets must cost them double, and a tax of from \$2 to \$7 per dozen is added to these bonnets and hats, and still, in addition, a percentage on their value.

All along the line of dress goods and millinery does the exorbitant tax rate continue. Their china and crockery ware must have two-thirds of its value added to the cost and earthenware and stoneware fully one-fourth addition. Camphor, so much used in every household, is taxed 4 cents per pound; unbleached cotton cloth, from 1 to 8 cents per square yard, with an additional tax of 20 per cent on its value. How will the ladies like this? Handkerchiefs, not hemmed, are about doubled in price, and needles are taxed \$1 per thousand, plus one-third of their value.

Even the old grandmother's knitting needles are taxed 25 per cent, and grandmothers know what this means. Plushes and velvets, cordings, not bleached or dyed, are taxed 10 cents per square yard; if bleached, 12 cents per square yard plus one-fifth per cent of its value. Chenille curtains and table covers of cotton are taxed 55 per cent. Stockings, hose, and half hose, one-third more per dozen than invoice price plus 15 per cent on value. Shirts and drawers, pants, vests, union suits, combination suits, underwear, and corset covers are taxed from \$1.50 to \$1.75 per dozen and 40 per cent additional on their value. Bandings, belting, binding, bone casing, braids, cords, garters, gorings, ribbons, tapes, tubing, webs or webbing, made of cotton, not embroidered, and cotton damask are all taxed 40 per cent. In other words, if a lady could get ribbons before entering the custom-house for \$1 a bolt, she would have to pay \$1.40 before she could get it out.

And this is not all that may interest the ladies. They want nice floor matting, and they have gotten it at 10 to 12 cents a yard. This bill taxes that quality 8 cents a yard; if valued at over 10 cents a yard it is taxed 10 cents a yard. In other words, 10-cent matting will cost under this bill 18 cents, and 12-cent matting will cost 22 cents.

Then look at carpets. Suppose on arrival here the price was 30 cents; 16½ cents are added by way of tax before it leaves the custom-house. If 31-cent carpet, 24½ cents are added.

Now, bear in mind that all the articles referred to or to which I shall refer will cost largely in excess of the figures I name, as I give the figures at which the goods stand when in the hands of the importer. So his profit, the jobber's profit, and the retailer's profit all have to be added.

But it is said this occurs no matter if the tariff duty is lower. But profit is added by percentage, and if 25 per cent is added by the importer it is easy to observe that if goods stand the importer at \$1 the ladies pay 25 cents profit, but if it stands him \$2 they pay 50 cents profit.

Ladies are interested also in laces for window curtains, tidies, pillow shams, napkins, bed sets, edgings, insertings, galloons, flouncings, handkerchiefs made in part of lace, nets, nettings, veilings, etamines, trimmings, neck ruffings, tuckings, flutings, quillings, if embroidered in any way, composed of flax, hemp, or other vegetable fiber. All are taxed two-thirds of the invoice price at the custom-house. In other words, any of the said goods imported at a value of \$1 is taxed 66 cents. If a lady buys it, she pays the 66 cents tax, of course. Plain handkerchiefs, not hemmed, are taxed 50 cents for every dollar's worth. Cloths and knit fabrics, not valued at more than 30 cents per pound, and not otherwise taxed in the bill, are taxed three times as much as a pound of unwashed wool is taxed. This would tax these articles over 100 per cent. Blankets and flannel underwear, if valued at 30 cents per pound and up to 50 cents per pound, must pay a duty the same as 1½ pounds of wool of the first class plus 5 cents a pound, with still an additional tax of 15 per cent on its value. A pound of wool pays a duty of 11 cents, so the tax in this case would be 26 cents.

On women's dress goods, coat trimmings, Italian cloth, valued at not exceeding 15 cents per square yard, there is a tax of 2 cents per square yard, and so on; if valued at 22½ cents per square yard the tax is 5 cents per square yard.

On women's and children's dress goods, linings, etc., the oppression continues, and we find a tax of 11 cents per square yard when composed in part of wool.

So, too, with shawls and wearing apparel, and plush and pile fabrics part wool, worsted, hair of camel, goat, etc., the good work goes on, and the women must pay a duty on these goods, if they want them, equal to four and one-half times the duty on 1 pound of wool, but can not stop then till 60 per cent on the value additional is extorted. Cloaks, dolmans, jackets, talmas, ulsters, and other outside garments for ladies, part wool or camel's hair, or goat, etc., four and one-half times the duty on a pound of wool and 60 per cent of the value of the article besides.

And then look at carpets. Treble ingrain, three-ply, all-chain venetian, valued, say, at 19 cents per square yard, these are taxed about 8 cents per yard; druggets, of 22 cents value, taxed 10 cents per yard; mats and rugs, screens, hassocks, bedsides, 40 per cent tax. They do not stop here; still adding burdens to our women.

Beads of all kinds are taxed 35 per cent, and trimmings and ornaments, such as jet trimmings and bead trimmings, are taxed 50 per cent. Mr. Chairman, not only do you tax braids, plaits, willow sheets or squares composed of straw, chip, grass, willow, or osier, for making hats and hoods 20 per cent, but you then proceed to tax hats, hoods, and bonnets \$3 per dozen, plus 20 per cent; or if a hat cost 50 cents, you tax it 35 cents, and leave it to the importer, jobber, and retailer to add some 50 per cent additional to the price before it reaches the man or woman for wear. Buttons: One-half cent, 1 cent, 1½ cent per line per gross, but on none less than 50 per cent additional to the import price.

You are still persecuting the ladies, and we find fans, 50 per cent; hair for braid, 20 per cent; ladies' shoes, \$3 per dozen and upward; plain pins, safety, hat, bonnet, and shawl pins, 35 per cent taxation; parasol frames, 65 cents per dozen and 20 per cent additional on value; feathers and down of all kinds, not dressed, 15 per cent; but when dressed, including birds for millinery purposes and such as ornaments, artificial fruits, grain, leaves, and flowers, a tax of 50 per cent is laid. Even you tax the tooth brushes and hair brushes 50 per cent.

A 32-inch black serge cotton warp costs in England to-day 15½ cents per yard, and here, after paying freight and duty, it costs 22½ cents per yard. Under this bill it will cost 30 cents per yard, or 7½ cents more.

A 27-inch cotton warp drap d'été costs there 17½ cents per yard; here, 25½ cents; and under this bill 35½ cents, or 9½ cents more per yard.

A 27-inch black sicilian costs there 15½ cents per yard; here, 23½ cents; and under this bill, 34 cents, or 10½ cents more per yard.

A 36-inch black orleans costs there 9½ cents; here, 14½ cents; under this bill, 20½ cents, an increase of 6½ cents per yard.

A 38-inch black pure mohair costs there 18½ cents; here, 27½ cents; but under this benign measure, 36½ cents, or 8½ cents more per yard.

A wool and cotton cloth costing 24 cents there is 33½ cents here, but by way of favoring the ladies, it is 67½ cents under this bill, or 34½ cents more per yard, or over 100 per cent.

All worsted cloth costing 50 cents there, 70 cents here is, under this bill, \$1.30 per yard, or an increase of 60 cents per yard.

Corduroy weighing 6 ounces per square yard, valued at 40 cents, is taxed under this new departure 28 cents per yard.

Verily you would make of the mothers, wives, daughters, and sweethearts "hewers of wood and drawers of water," all for the



sake of protecting the wealthy manufacturers, who can no longer plead infancy.

Mr. Chairman, I have not attempted to go through this bill in any regular order. But, sir, it must be apparent to even those who have nursed it with that care that they would have bestowed on one of their own children that they have ignored the farmer, laborer, and the good housewife, and that the day is not far distant when the people will rise up and rid themselves of the iniquity, the wrong, the fraud which you will fasten on them by means of this bill.

Your party is in power. It has promised prosperity. You propose to bring it about by taxing everything the farmer buys and lowering the price of all he sells. You meet him on the very threshold of your Administration with taxation before him, taxation behind him, taxation below him, taxation above him, taxation to the right of him, taxation to the left of him. For what? Not for the support of the Government; not to maintain the national credit. It is for the purpose of fostering trusts and sustaining extravagant and largely useless expenditures of public money, nine-tenths of which go to the more favored manufacturing States.

Look at the work of the last Congress. Does anybody really believe that it was an economical expenditure of money to appropriate for the District of Columbia \$12,000,000; for fortifications, \$17,000,000; for Indians, \$15,000,000; for pensions, \$282,000,000, and for rivers and harbors, \$12,000,000?

And while the Republicans were offering amendments striking out an appropriation of \$130,000 for seed for the farmer on the score of economy, how great was the straining at a gnat and swallowing a camel when we see annually the following economy (?) manifested in order that the privileged classes might live on the sweat of others' faces, to wit:

For pay for retired army officers and men .....	\$1,837,555.12
For pay for retired judges .....	36,851.82
For pay for retired navy officers .....	947,043.60
For pay for retired marines .....	73,634.00

A total of ..... 2,895,084.54

To perpetrate such outrages, the producer must suffer. The farmer must suffer. To consummate such iniquity, the farmer must be taxed on everything he uses on the farm. He goes to his blacksmith shop, and the anvil is taxed 2 cents per pound; the hammer and sledges, 1½ cents per pound; bolts and hinges, the same. He looks over his farm and sees that his cast-iron pipe is taxed 1 cent per pound; cast-iron vessels, stove plate, andirons, eight-tenths cent per pound. He picks up chains, trace chains, never laden with less than 50 per cent of their value in taxes, and ranging from 1½ to 3½ cents per pound. Pocketknives are taxed from 40 to 50 per cent, and razors about the same; scissors, 75 cents per dozen and 20 per cent additional; table and cook knives, from 10 cents each down to 1½ cents and 15 per cent on value added, and cutlery in no case less than 45 per cent; and the farmer, not the manufacturer, pays this tax.

The mechanic notices that he is not overlooked, and he sees that files pay tribute of 40 per cent, crosscut saws 8 to 10 cents per linear foot, handsaws 40 per cent, and grindstone \$1.75 per ton. The hammer, plane, adz, ax, hatchet, broadax, drawing knife, brace and bit, drill, chisel, trowel, wrench, lathe, screw-drivers, paint brushes, and tools of every description are taxed, ranging from 25 per cent to 60 per cent. On screws a tax is levied of from 5 to 14 cents per pound; cut nails, six-tenths cent per pound; wire nails, 1 to 1½ cents per pound; horseshoe nails, 2½ cents per pound; spikes, washers, horseshoes, 1 cent per pound; cut tacks, brads, sprigs, 1½ cents per pound; rivets, 2 cents per pound; and thus it is he, too, is favored (?).

Tubs and basins are taxed. Even matches are taxed 10 cents a gross. Hubs for wagons and wagon block are taxed 20 per cent; casks and barrels, 30 per cent; copper bottoms, 2 cents per pound; cast hollow ware, coated, glazed, or tinned, 2 cents per pound.

You did not forget that the farmer used wire rods—rivet, screw, fence, and other iron and steel wire rods worth 4 cents per pound—and immediately added 25 per cent to their cost by taxing them, and pretty much all kinds of iron used by him is taxed from one-half to 6 cents per pound. Even the window glass is not overlooked, and 1½ cents per pound is added to its cost by means of a tax on it, and even the green bottles are taxed 1 cent per pound.

So everything used on the farm, whether of the vegetable, animal, or mineral kingdoms, is of course heavily taxed. He must feel grateful to the Republican party for taxing harness 45 per cent, including saddlery, and all other manufactures of leather 35 per cent, and at the same time letting hides in free to compete with his own product. Indeed, the many idiosyncracies of the bill are appalling. Why wheat should have a duty on it of 25 cents and corn 15 cents is simply incomprehensible. Protection! Why not put a duty on water, since ice from Greenland's icy mountains is on the free list? Ashes are on the free list, and straw is made dutiable at \$1.50 per ton. Soap grease free and soap taxed.

Now, Mr. Chairman, it must be clear to the most unobserving

that high taxes do not encourage enterprise and prosperity, and it is not too late to direct attention to the fact that the exorbitant rate of taxation carried by this bill means less money in circulation, monumental riches for the few favored ones, and more pinching poverty for the many. It means princes by the hundred and paupers by the million. It means strikes, lockouts, half time for labor. It means lower prices and harder times for the masses of the people.

Excess of revenue, if this bill should obtain it, will be worse than a deficit, and under existing conditions it is more dangerous, because for every dollar of revenue in excess of necessary expenses there must be contraction of the circulating medium to that extent, and no calamity that could befall the country could be greater than a further contraction of the currency. It would but add to the epidemic of assignments, failures, bankruptcy, and bank robberies which have characterized this country since the act of 1890.

Mr. Chairman, I am not in favor of free trade. I am not in favor of a tariff for protection. I am not in favor of bounties per se. I am in favor of a tariff for revenue. I favor raising enough money by a tax on imports limited to the expenses of the Government economically administered. I would have no internal revenue from any source except from whisky and incomes, both of which are luxuries, both of which can afford to pay a tax, both of which, when produced in too great an excess and in the hands of bad men, may be used to the detriment of the public interest.

Mr. Chairman, I said I am not in favor of bounties per se, and I am opposed to paternalism, which is taking hold of every avenue of trade of this country except the farming industry. I am opposed to it, whether it be in the shape of millions annually paid out to pensioners who never drew a sword or heard a gun, or whether by the insidious means known as retirement of officers, military and civil, on good pay to do nothing; whether by the drawbacks in high tariff bills, or by large and wasteful appropriations for rivers and harbors; whether by useless expenditures on fortifications and the hundreds of items in appropriation bills, all for the purpose of taking this or that interest or person under the paternal and protecting wing of our great Republic.

But equity steps in and demands that what is done for one class of our citizens should not be withheld from other classes. So if some interests must be protected; if Congress by its great Republican majority not only admits this, but aggressively asserts it, then, representing a district largely composed of farmers, I boldly assert that they should be accorded in this bill that which not only you do not deny to others, but from which you have especially excluded the agricultural interest.

I have, therefore, offered the amendment to the bill which the Republican majority has declined to permit a vote on, hiding itself behind a point of order, thus ruling it out.

What does the amendment provide? Simply that the home price of farm products shall be raised by an export bounty of 10 per cent, and in order to raise the money to pay this 10 per cent the Secretary of the Treasury shall issue export certificates, payable on demand in lawful money of the United States and "receivable for all Government dues, including duty or tax on imports." That farm products which have reached the export point would be enhanced 10 per cent in the home market by this amendment is to every one apparent.

It needs no argument to establish this. It is logically certain. That it will in fact cost the Government not a cent can not be denied, because commerce will be stimulated, thus increasing imports on which the duty would be levied, and the certificates would go back to the custom-houses and automatically operate without redemption.

Could my amendment be obscured and a line or two slipped in the bill carrying its provisions under another name, there would be those on the Republican side of this House, who are now bound by the despotic chain of trusts that sits like a nightmare on this country, who would be glad to advocate it. But the eye of the mighty "combines" is upon them, and though they would like to help the farmer they dare not do so except under the order of those whose grasp really holds the purse strings of the nation.

It is not to the interest of these monarchs of aggregated capital that wheat, corn, tobacco, cotton, and other staple farm products of the West and South should advance in price. Hence they are opposed to the free coinage of silver. Hence they are opposed to my amendment. Hence they are in favor of gold monometallism, contraction, and a high protective tariff.

Mr. Chairman, if protection really protects, then your party has great sins to atone for, if withholding equity and justice be a sin. I said I was not a protectionist. True. But if protection is to be, must I sit idly by and see it dealt out liberally to every class except the farmer and not raise my voice in behalf of those struggling in my district and State? Call me inconsistent if you choose. In such inconsistency I glory.

Mr. Chairman, although contrary to my idea of political economy and not in keeping with the policy that I would institute if I could, I believe that the best means of ridding ourselves of this iniquitous

measure is its enforcement. That a high protective tariff will permanently benefit trusts and aggregated capital I do not doubt; that it is to be placed on our statute books for this purpose is a conclusion that is irresistible; that it will be blotted from its pages in no very distant time is logically certain; but during its life I am in favor of doing everything within our power to give some protection to the tobacco, the wheat and corn, and other products of the farmers of Virginia. Every speaker on this side of the House has admitted that the bill does not do this. Every Republican knows that it is true. Most of those who have alluded to the subject admit that it can be done only by an export bounty.

If the farmer indirectly, but no less certainly, furnished the Government 75 per cent of imports on which to levy a duty for revenue to provide the interest on our debt and to meet governmental expenses (because his exports brought back these imports), he should receive the same proportion of consideration in this tariff bill as the manufacturer, whose exports were only 25 per cent. As there is only one way to accord this consideration under this high protective tariff bill, and that is to raise the price in the home market of his products, and as this can be done in a tariff bill only by an amendment such as I have offered, then I have no hesitancy in offering it; and I have the temerity to advocate it.

It was hoped that a slight gleam of fairness would be discerned in the agricultural schedule, but such was the sham deception and delusion shown in it that suspicion of all the other schedules was logical. Pretending protection to the farmer and according it not uncovered the nakedness of the whole bill, and honest men hid their faces for very shame.

Protection is an enchanting word. An infant will turn to its mother for protection on the approach of real or imaginary danger. The protection that our forefathers talked of (so often quoted in this House) referred to infant industries that needed the aid of the Government. Is the sugar trust an infant? Protection means the hand of the mighty in aid of the weak. Is the oil trust weak? Government aid may protect the weak, but in it there is a tyranny which destroys the aspirations of the young and blights the hopes of the yeomanry of every land that employs it.

The American citizen has drawn the spirit of liberty and independence from his mother's breast, and he needs no protection save that afforded him by the flag of his country, and he owes it to himself and his country to work out his own destiny.

If protection per se is right, if it is beneficial to be protected, then it should be carried to its legitimate conclusion and be confined to no locality, circumscribed by no political divisions. What is true of the United States should apply everywhere. Then logically free trade between sovereign States is wrong, and it should be right for Virginia, if she chose to do so, to protect her shoemakers against the shoemakers of Massachusetts. The only answer is that protection by the United States is restrained by no law, while the other is met by a constitutional inhibition.

Protection saps the foundation of those noble traits which make up the patriot, and the tyranny of trusts has reduced him to that point where he has no refuge but in poverty and want.

So, Mr. Chairman, if the blight of this bill is to come, we must accept it till the people can speak again.

There are sometimes advantages to be gained even in the infliction of a great wrong. The souls of great men have taken their flight from the agonies of the stake that posterity might be benefited. The witches burned in New England left salutary lessons for a free people, and even this bill will not be without its benefits in this respect, that future generations may not again be led into the great national error of 1897.

So, while the mailed hand is being laid upon us, we have a right to see that it is with as near a velvety touch as possible, and we are entitled to as fair protection from its withering blight as is admissible—at least to that protection which was promised, but which in this bill is denied.

And as it is more particularly the farmer from whom this protection is withheld, I advert to this aspect of the bill. Is it to be supposed, Mr. Chairman, that he is so wanting in intelligence that he can not discern such absurdities as putting a tariff duty of 3 cents a head on cabbages and a dollar and a half per ton on straw, and at the same time giving acorns a prominent place on the free list; that guano is free, while the bags that hold it are heavily taxed?

It has been said that the tree of liberty grows when watered by the blood of tyrants, and hence it is inferred that the "blood and bones of our fathers from the temple of the Gods" are meant when blood and bones are on the free list.

A duty has been imposed on wheat of 25 cents per bushel and on corn of 15 cents per bushel. Is it not clear that this was done to throw free sand, for sand is on the free list, in the eyes of the farmer "to make believe," as Huckleberry Finn says, that he is protected?

The corn product in 1896 was.....	bushels.....	1,150,000,000
We imported.....	do.....	4,300
Revenue.....		\$350
We exported.....	bushels.....	101,000,000

This exportation brought back to this country revenue-producing commodities, in the shape of imports for which the corn was exchanged, the equivalent in gold.

In what manner could the 4,300 bushels imported have hurt us? How could a duty of 15 cents per bushel have protected the farmer? But an export bounty of 5 cents a bushel would have raised the price of corn in the home market, and our farmers would have realized \$50,000,000 additional on the crop in the United States.

If you want to protect the farmer and add to his profit as you do to the manufacturer, this is a way by which you can do it.

Now, 25 cents a bushel protective (?) duty on wheat protects with a vengeance. This is simply an intentional deception. It does not even produce any revenue, and yet the title of this bill is "to provide revenue and to encourage industries." Does this encourage the wheat-growing industry? Does it provide revenue?

In 1896 we raised 467,000,000 bushels and exported 126,000,000 bushels, which brought back to this country not less than \$70,000,000 revenue-producing commodities. If we imported 2,000,000 bushels, which would pay under this bill \$500,000 duty when exported in the shape of flour, 99 cents for each dollar duty paid would be returned to the miller or exporter, being a bounty of \$495,000 to the one or the other. And yet had we paid a bounty of 5 cents a bushel, it would have cost the Government apparently \$5,000,000, but the farmer would have received \$23,000,000 more for his wheat, or 5 cents a bushel on the whole crop. And if, as some claim, it was imported as improved seed wheat, it should be free if the farming industry was to be encouraged.

In 1896 we raised 3,600,000,000 pounds of cotton. We exported 2,300,000,000 pounds. Our imports were 55,000,000 pounds. An export bounty of 1 cent per pound would have apparently cost the Government \$23,000,000, but the cotton growers would have received \$36,000,000 more for their cotton. The 55,000,000 pounds imported would, under the drawback clause, have received drawbacks of 99 per cent of import duty as a bounty when exported in fabrics made wholly or in part of the staple imported.

Why should the farmer who raises horses and cattle have protection, and he who raises the staple products—cotton, corn, wheat, hops, etc.—have none? A duty on them affords no protection. It is the great staples of the West and South that furnish the trade that creates the revenue-producing imports, and yet the producers of these staples are in no wise protected. If we are to have protection as a cardinal feature of your policy, let us have equity and justice in its enforcement. The objection is not so much to 11-cent duty on wool as to 100 per cent duty on clothes.

It is also well known that but for our great agricultural exports our imports would dwindle into insignificance. The total agricultural products amount to \$2,000,000,000. Outside of our home market we find a market for two-thirds of our cotton, one-third of our wheat, or 30 per cent of our total of agricultural products. Over 70 per cent of our exports are from the products of the farm. Cut off our farm exports and our revenue must be cut off 70 per cent, or we must have a balance of trade against us of 70 per cent, which must be paid in gold.

Duties on agricultural imports, like the tub to the whale, are offered our farmers as if they were blind. They are fully aware that while we exported last year some \$600,000,000 farm produce, we imported, including animals, only \$12,000,000. A duty of 50 per cent ad valorem would have been only \$6,000,000, while our \$600,000,000 exports produced not less than \$600,000,000 imports, which, at 40 per cent, would have produced \$240,000,000. What is the remedy as long as we must bow to the inevitable and have a tariff for protection? Clearly it is to do what we can to raise the price of farm products in the home market.

Take the staple products of the farm exported and allow an export bounty of 10 per cent ad valorem, and it would amount to little more than one-third of the amount paid out for pensions—no more than appropriations and contracts for rivers and harbors and the bounty paid to the thousands of military and civil officers of the Government, who are doing nothing to earn a dollar but are retired on large salaries as a privileged class, just as if they were not munificently paid during the performance of active duty. And it would not be much in excess of other appropriations indulged in constantly, which amount to wholesale robbery of the people. Pensions, river and harbor bills, retirement pay rolls, useless fortifications, extravagant expenditures for the District of Columbia and for the Indians are simply species of expensive paternalism.

Professor Sering, of Berlin, says that a country producing a surplus of agricultural products over its own needs can afford no protection to said products by a tariff on imports. It is clear to anyone that if we are selling more wheat than we consume we will of course import none. He adds:

If a country produces a surplus of staple products in such quantities and of such quality that there does not exist any economical possibility of importing them from foreign countries, a duty on such staples would seem perfectly ridiculous.

And yet our Congressional savants have put a duty on wheat,



under the miserable pretense that it protects the farmer, when it is known that we can not consume all we produce, and hence must export it.

Dr. Schumacher said:

I agree with the opinion that articles of export can not be protected by import duties.

Giovanni Carlo Siemoni, of the ministry of agriculture and commerce of Italy, says:

If we produced a surplus of agricultural staples for export and desired to protect agriculture so long as manufactures were protected by duties on imports, we could do it only by a bounty on exports.

It must be clear to any ordinary mind that protection countries which are exporters of farm products can not extend protection to the farmers by placing a duty on said products. An export bounty is the only way to reach it.

Do not forget, and if you do you will be reminded of it in 1898, that the farmer is as much a living factor in this country with his great producing power as is the trust with its great consuming capacity, and the time is not far distant when the inequity and injustice shown him annually will cease, and again the fields which he waters with the sweat of his brow will blossom like a rose, bringing forth profitable fruit and yielding peace, prosperity, and happiness, the just heritage of years of toil.

The Republican party, on the demand of the trusts, have decreed protection. But when we analyze the vote of the people on the question of the classes against the masses we are struck with the fact that a large majority of the more intelligent, cultivated, educated, and capable people of the country registered their votes against this iniquity. I presume no man on this floor will be so bold as to deny that the Anglo-Saxon and white people of this country constitute this large majority, and no one will deny that the great commerce of this nation and its great business interest are carried on by the white people who inhabit the United States. It is equally clear that the negro vote is almost solidly Republican.

Look, then, at the vote for McKinley as the representative of the idea of protection, and what was the white vote for this idea and the white vote against it?

Deducting the negro vote for McKinley we have:

Total vote McKinley .....	7, 106, 199
Less negro vote .....	1, 500, 000
Total white vote .....	5, 606, 199
White vote against McKinley .....	6, 817, 444
White majority against protection .....	1, 211, 245

or 10 per cent more of the white people of the country against McKinley than for him. This, too, without counting the whole negro vote as going for McKinley.

If it be claimed that the vote for Palmer and Buckner should not be counted as against McKinley, but in fact that they were protectionists, still there would be over 5 per cent of the white vote against this protection idea. I assume that the good Democrats who voted for Palmer would, however, protest that they were Democrats in all save the money question; and if so, then the business people of this country—the brain and brawn of it—registered against protection by a majority of 10 out of every 100. In other words, 55 per cent were against, while 45 per cent were for it, even supposing that the vote of the 45 per cent had been cast according to the wishes of the voter; and we all know that \$20,000,000 for "legitimate" election expenses in the hands of the imperial taskmasters of the great manufacturing centers means "Go to the polls and vote for protection or to-morrow you go somewhere else!"

So then, Mr. Chairman, when protection is to be enforced it is but justice that the agricultural interests be protected. I am well aware that it is claimed by the advocates of this bill that the farmer is protected. But it does not require any very great degree of acumen to discern that this is a deception, and an intentional fraud or the hallucination of a warped and blinded intellect.

No import duty on any farm product that has reached the export point can "provide revenue or encourage (farm) industries." This must be clear to any mind, for it is the demand from abroad that causes export of any article. Demand means a vacuum to be filled. Where, then, is any to come from to be imported? Obviously none will come. Then, whom does it protect? What revenue will it produce? What industry will it encourage?

But we are told that we have a reciprocity clause which enables us to lessen the cost of many articles that we consume. Reciprocity means simply transferring the taxing power from Congress to the President. It embraces retaliation. For example, if a coffee-producing country should lay an import duty on steel rails, the trust would come to the President and complain of it, and the President at its behest might (I do not say he would) do what this bill authorizes him to do, viz, lay an import duty on coffee of 3 cents per pound, thus, by means of reciprocity, making us pay more for our coffee.

If China, Japan, Brazil, Mexico, and other countries should lay an import duty on any of our products which the President should deem too high, he could by one stroke of his pen retaliate on them by making us pay 3 cents a pound more for coffee and 10 cents a pound more for tea. Beautiful reciprocity is this!

But in admitting reciprocity, Mr. Chairman, the Republican party surrenders the whole principle of protection, for it says: "Accord us open markets for our products and we will accord you the same for yours." This is Democratic doctrine.

I said that it embraces retaliation. It seems that in their earnestness to make us pay more for tea and coffee under the guise of retaliation there was a most fitting opportunity to ingraft on the bill a clause to protect the great tobacco growers of the States of this Union. The people of my district and State are large growers of tobacco. At one time it was the most prosperous industry in Virginia. But the encroachments made by the despots of Europe, added to other enervating influences in this country, have well-nigh ruined it, and when the Republican party has now the opportunity to remedy it—at least in part—it refuses to do so.

There are four nations called the regie countries—France, Austria, Italy, and Spain. To each of these nations a certain quality of tobacco raised in this country is adaptable. No citizen of these United States is to-day permitted to ship a pound of tobacco to either of these nations unless he is the agent of the country to which he ships it. And when he so ships it, he ships it, not as his property, but the property of the governments to which it is consigned. It is claimed, I know not how truly, that these countries can and do control the price simply by fixing the price at which it is to be purchased by agents appointed in this country. Each nation is, however, a tobacco monopoly.

These Governments are permitted to come into this country and get certain classes of tobacco on their own terms. Spain can not use the class that France wants, neither can Austria-Hungary use that which Italy buys. Neither uses the particular class that the other wants, and there is little or no home market for these tobaccos. The best quality goes to Austria-Hungary, bought by its consuls. The next to Italy and France, purchased by agents appointed in this country; and the worst in quality to Spain, through agencies selected in the United States or Spain.

#### NO COMPETITION.

There is then no competition between buyers here. Neither the farmer who raises the tobacco nor the dealer who handles tobacco can ship a pound of any tobacco known as regie tobacco to either of the four countries named. But the profit inures to the Governments themselves and the United States is virtually shut out; indeed, actually debarred from any commercial relations, so far as tobacco is concerned, with the people of these countries by reason of these tobacco monopolies.

These regie tobaccos are produced principally in Kentucky, Virginia, and Maryland.

In 1896 Virginia produced \$58,000,000 on 92,000 acres, averaging 5 cents per pound. Formerly it brought from 10 to 20 cents.

I have placed in a tabulated statement the tobacco-growing States in four groups, taking the seven largest tobacco-producing States first, and a glance at this table will disclose, by the low average price, which States are the regie tobacco growing States:

Groups.	Pounds.	Value.	Average per 100 pounds.
<b>FIRST.</b>			
Kentucky .....	143, 000, 000	\$6, 032, 000	\$4.15
Virginia .....	57, 000, 000	3, 000, 000	5.21
Maryland .....	9, 300, 000	1, 300, 000	4.31
<b>SECOND.</b>			
North Carolina .....	68, 600, 000	5, 490, 000	8.00
Pennsylvania .....	16, 200, 000	1, 290, 000	8.00
Missouri .....	7, 400, 000	666, 500	9.00
<b>THIRD.</b>			
Connecticut * .....	10, 500, 000	1, 300, 000	12.50
<b>FOURTH.</b>			
All other States .....	80, 600, 000	6, 000, 000	7.00

\* Connecticut is separated from other States because it is principally a cigar tobacco State.

Mr. Jefferson said, "Where nations impose a high duty on our productions, or prohibit them altogether," as is the case with these tobaccos, "it may be proper for us to do the same by them."

In the first group the prices average below 5 cents per pound; in the second, over 9 cents. Clearly some underlying cause is producing this great difference. The eye of kings is upon the tobacco of the first group. It is the heavy, dark, rich tobacco, demanded very little in our home market, but without which the four nations

named could not get along. They must have it; and it is grown nowhere else. Here, then, is a place for retaliation. But perfect submission to this wrong inflicted openly on American citizens prevails in your committee rooms and in this House.

As long as a single American citizen is forbidden to ship any of his goods to a foreign country by reason of the discriminating laws of that country, we ought to have the courage to forbid the importation of their wares and goods into this country. Let them put a high tariff on them, if they choose. England has a tariff on tobacco, grown in these same States, of 76 cents a pound, an average, perhaps, of 800 per cent ad valorem. We do not complain; we only want reciprocity. You decline it. I knew you would. The farmer, and not the manufacturer, is the one that would be benefited, and the Southern farmer principally. This is sufficient reason for you to turn your back on the mere suggestion of equity and justice.

France made a profit not less than \$70,000,000 by reason of this discrimination against Southern farmers last year. This profit is of course in a very large measure the accumulated wealth created by the American producer, and of which under just reciprocal laws he would not in future be deprived.

Certainly the farmers of my district, of Virginia, of Kentucky, Maryland, and part of Tennessee have a right to look to this bill to correct this great and growing evil. By retaliation, if no other way, can be devised means to remove this great injustice. I would be untrue to the trust reposed in me did I not raise my voice and protest against the absence of anything in this bill looking to any recognition of this demand for relief.

Mr. Chairman, I believe I have made it clear that a high protective duty on staple products or such agricultural products as have reached the export point will neither raise revenue nor protect the producer; that placing a duty on buckwheat, corn, oats, wheat, corn meal, and even on cabbage and peanuts, will accomplish neither. The munificent sum of \$32.57 was added to the revenue in 1896 from buckwheat, and it protected whom? Why, peanuts produced prodigious revenue, \$471.02; even shelled peanuts added to our revenue 85 cents.

Thus we might go on through the whole list, and the nakedness of the sham and deception become more and more apparent at every step.

When we come to commodities of which, if entered free, the benefit would accrue to the farmer, we find them heavily taxed: and if he would be helped by the imposition of a duty, they are admitted free. And where no good one way or the other, a duty is imposed to produce an impression that it is for his benefit, or made free for the same purpose. Straw has a duty on it, when farmers generally have it to burn; and yet hides are free, which he might sell at a profit if accorded simple justice. Tobacco stems are free, because it might help manufacturers, while lowering the price of tobacco; but the hoe and the plow to make it are taxed.

Why imagine that 3 cents a head duty on cabbage will protect the farmer, and free broom corn will do the same? Eggs are protected and beeswax is free.

Twine for the Western farmer is free, but bagging and cotton ties for the Southern farmer are taxed. Spices to pamper the appetite of the princes of the land are free, but the salt, so much used by the farmer, is taxed. Diamonds to ornament the wealthy are free, but the buttons necessary for everyday clothes are taxed. Ashes are free, but soap is taxed. Corals are free and horseshoe nails are taxed. Green fruit is free, but cans to receive it taxed. Hides are free and harness is taxed. Wagon hubs are taxed; logs are free.

Why should acorns, rags, moss, ice, insect eggs, clay, sand, bones, skeletons, blood, bladders, intestines, ashes, bristles, chalk, worm gut, dragon's blood, shavings, old paper, rope ends, mother of pearl, turtles, hop poles, fence posts, and flint be free?

The hat, coat, pants, vest, shirt, collar, cravat, undershirt, drawers, shoes, stockings, shoestrings, eyelets to shoes, suspenders, buttons, thread, dresses, hose, ribbons, hoods, bonnets, trimmings, bindings, ruffles, aprons, ulsters, shawls, bedding, furniture, carpets, knives, forks, cups, saucers, plates and dishes, bottles, jars and jugs, saws, hoes, tools, grindstones, plows, nails, horseshoes, screws, chains, buckles, harness—everything the farmer uses is taxed, taxed, taxed, and we look to the free list for relief, and we find on it such articles as agates, alizarin, amber, ambergris, annatto, ronoon, rocoa, extract of Orleans, apatite, art educational stops, balm of Gilead, Brazil paste, breccia, cerium, civet, cocculus indicus, coir, cudbear, cutch, divi-divi, gambier, iridium, kelp, kieserite, lactarene, myrobolan, osmium, pulu, salacin, salep, storax, zaffer, and so on, all of which are supposed to help out the agricultural interests.

Virginia, which I in part represent on this floor, is largely an agricultural State. This bill largely increases the burdens which we have to bear, laying the heavy hand of taxation on that which we must buy and discriminating against us on that which we must sell.

To raise the cost of the one, to lower the price of the other, is what is accomplished by this measure. We produced in 1896 as follows, in round numbers:

Product.	Quantity.	Value.	Yield per acre.
Corn.....bushels.....	38,000,000	\$12,000,000	26.2
Wheat.....do.....	5,700,000	4,500,000	10.9
Oats.....do.....	8,500,000	2,207,000	18.5
Rye.....do.....	419,000	201,000	10
Buckwheat.....do.....	85,000	40,000	18
Potatoes.....do.....	3,000,000	1,200,000	93.2
Hay.....tons.....	637,000	178,000	1.8
Tobacco.....pounds.....	58,000,000	3,000,000	630
		23,326,000	

With fair prices, this production should have yielded over \$50,000,000. Ignoring our tobacco, as this bill does, we receive \$3,000,000 for it, while we should receive \$9,000,000. Corn and wheat, potatoes and oats, by reason of gold monometallism, brought \$20,000,000, when relief we ask for would have given us \$40,000,000, and this bill will aggravate the evil. Extravagance in expenditure—rivers and harbors, fortifications, pension payments, and favored classes and retired officers—all make taxes heavier.

A short crop of money depresses prices, while a short crop of farm products no longer raises them, because the force of contraction with its downward pull predominates over demand with its upward pressure.

Every State in this Union has witnessed the growing oppression to which the farming interest is subjected by reason of unfriendly legislation. The farm mortgages to-day are living monuments to the crime. The following statement from the Department of Agriculture speaks volumes:

*Amount of incumbrance on owned farms in the United States in 1890.*

Alabama.....	\$1,937,100	Nebraska.....	\$47,078,132
Arizona.....	225,021	Nevada.....	47,807,019
Arkansas.....	2,032,345	New Hampshire.....	4,219,278
California.....	46,707,837	New Jersey.....	25,755,006
Colorado.....	5,573,154	New Mexico.....	373,245
Connecticut.....	8,507,786	New York.....	134,900,703
Delaware.....	2,985,283	North Carolina.....	3,757,577
District of Columbia.....	17,300	North Dakota.....	11,108,854
Florida.....	803,380	Ohio.....	70,744,771
Georgia.....	1,007,500	Oregon.....	6,841,047
Idaho.....	1,373,115	Pennsylvania.....	73,822,978
Illinois.....	93,940,935	Rhode Island.....	1,108,720
Indiana.....	46,751,153	South Carolina.....	3,383,679
Iowa.....	101,745,924	South Dakota.....	15,481,634
Kansas.....	73,749,253	Tennessee.....	2,280,436
Kentucky.....	5,336,354	Texas.....	6,404,030
Louisiana.....	3,307,108	Utah.....	546,245
Maine.....	6,741,922	Vermont.....	11,032,400
Maryland.....	12,753,827	Virginia.....	3,334,343
Massachusetts.....	11,831,941	Washington.....	6,004,100
Michigan.....	64,414,986	West Virginia.....	4,825,337
Minnesota.....	37,700,574	Wisconsin.....	55,304,686
Mississippi.....	2,890,101	Wyoming.....	455,061
Missouri.....	53,753,011		
Montana.....	1,548,816	Total.....	1,085,905,900

Mr. Chairman, I would that every Republican on this floor could go with me to some sections of the once prosperous and favored Southland of ours, where the moth and rust of the pension agent do not corrupt, and where the river and harbor thieves do not break through nor steal. There they would see the broad acres of bottom land grown up with weeds, and they would wonder why such ruin and desolation stalks abroad. Where are the tobacco hills that once dotted these favored uplands; where the yellow grain that waved as far as the eye could reach, like a golden sea under the soft Southern breezes; where the wide expanse, burdened with the green blades of Indian corn; where the cheerful and contented farmer, with his loving wife and rosy-cheeked children? All are things of the once happy past.

Instead, we turn to the picture of the bent form and saddened face of the farmer, as with tearful eye he looks upon the careworn and pinched face of his devoted wife, and around them their hungry and ragged children, and we ask, "Is this to continue, and why is it so?" The answer comes, "Yes, and because of high taxes for protection's sake."

Mr. Chairman, while there are other causes which lend their aid to this scene of misery and discomfort (and I need not refer to them here), still suffice it to say that this bill but makes existing conditions worse. The scene of the once busy and prosperous life is all changed, and where the music of the mower and the song of the scythes were heard in harvest time, the fallow deer now has its home. The cabin chimney is fallen down, and the vine-clad porch is lost under the moss-hidden roof, while birds are building their nest in the eaves as they sing the song of desertion and decay.

The mill wheel is still and the water is wasting its energy as the monotonous sound of its ripples adds to the gloom that surrounds this once happy home. We turn to go and see "Taxation"



written on every leaf and every stone. Above the door of the cabin, where once hung a frame in which were embroidered the words "Home, Sweet Home," an epitaph now hangs, "Died of taxation." Then our thoughts would turn to the trusts, and we would remember the prophecy of the Apostle James:

Go to now, ye rich men, weep and howl for your miseries that shall come upon you.

Your riches are corrupted, and your garments are moth-eaten. Your gold and silver is cankered; and the rust of them shall be a witness against you, and shall eat your flesh as it were fire. Ye have heaped treasure together for the last days.

Behold, the hire of the laborers who have reaped down your fields, which is of you kept back by fraud, crieth: and the cries of them which have reaped are entered into the ears of the Lord of sabaoth.

Now, Mr. Chairman, in conclusion, I beg your party to heed this prophecy of the Apostle James before it is too late, and, in the language of one who has watched the march of nations, their rise and fall, remember that—

He who plows must plow in hope, and woe betide the country where the furrows are watered with the tears of a strong man's despair.

#### The Tariff and Money.

#### SPEECH

OF

HON. WILLIAM T. ZENOR,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897,

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. ZENOR said:

Mr. CHAIRMAN: Since the assembling of this Congress in extraordinary session it has been apparent to all observers that it has not been possible for Representatives, other than the majority of the members of the Ways and Means Committee, to make even a casual, much less a critical and careful analysis, of the provisions of this bill. A bill covering 163 pages and containing 50,750 words is, within one hour after convening of the session, laid upon the desks of members, without any time granted the minority of the members, of that committee to make and submit a minority report or frame a substitute for the majority; and with marvelous haste we are forced to proceed to its consideration. But this is not the most extraordinary phase of this proceeding.

From the Committee on Rules, made up of a majority of Republicans, came in precipitate haste a report restricting the right of general debate to twenty minutes without the right of amendment, and only permitting this privilege when we reached the reading of the bill by paragraphs under the five-minute rule, when it must have been apparent, and clearly within the contemplation of the majority of the committee, that but a small portion of the numerous items and paragraphs of the bill could be read under this restriction, and that members would be cut off and deprived of the right of amendment to a very large portion of this bill, as will be demonstrated by the result.

Members having constituents vitally interested in certain items and articles included in paragraphs of certain schedules will not have the opportunity of presenting amendments or be able to be heard at all before the close of the right of amendment, there being less than 26 pages of the 163 reached under the operation of this arbitrary and despotic rule up to this point, and the time about exhausted. Complaint has been made because of this denial of the rights of members, and through them the rights of the people represented upon the floor of this Hall; and this not alone from the members of the minority party, but protests in violent and menacing language have been heard from the opposite side of this Chamber, for many of them felt that they had wittingly or unwittingly been made the victims of a majority policy by which their constituents were to be disfranchised, that they little dreamed would follow the enforcement of rules intended to apply only to this side of the Chamber.

But be this as it may, aside from the principle involved, the threatened destruction of the sacred right of representation upon the floor of this Hall, the invasion of the sacred right of public discussion, and the danger always more or less involved in the denial of the privilege of open, free, and fair debate upon all questions affecting the people in their property rights, their liberties, and their pursuits, which every measure imposing the burdens of taxation, directly or indirectly, involves, the question, so far as this measure is concerned, is not very important; for it has evidently been the purpose of the Republican party, since the result of the late election was known, to make a radical and revolutionary change in the system and policy of the Government in regard to taxation. It matters but little what latitude of discussion was granted in the consideration of this measure, it would

evidently afford but little satisfaction to those who are opposed to this line of policy, except perhaps to expose the inequalities and unfair discriminations in the rates of duty imposed and the folly of attempting to restore prosperity to the people through the medium of adding additional burdens, already too onerous to be borne.

It is and has been from the beginning the suspicion of this side of the Chamber that the policy of the majority was to railroad this measure through the House in defiance of all opposition, regardless of its consequences; and this suspicion has, in view of the tactics resorted to, become a settled conviction; but we wish to suggest that while impotent to resist and powerless to amend those features of the bill that we believe are in the interest of the cool and calculating avarice of trusts and combines, or at least must result in fostering their growth and tightening their grip upon the people of this country, that the people are not clamorous for the relief proposed in this measure of legislation; that you have mistaken the paramount issue involved and the questions decided at the recent election, to which you owe your recent victory.

It was not and is not higher taxes that they demand; the great agricultural classes and labor of this country need not be told—they already too well understand—that they have no part or parcel in any advantages accruing from such a revision of the tariff as here proposed; they fully understand that any revision of tariff laws raising duties beyond the requirements of ample and sufficient revenues for the support of the Government is not meant for their good and can not operate to their advantage, but must necessarily inflict upon them and all others not brought within the range of their paternal care additional distress, hardships, and oppression. The great mass of the people can not and will not fail to understand that it is utterly illogical and impractical to raise the prices of the products of one class of persons and increase profits by law of certain industries without at the same time making some other people contribute to the payment of these increased prices and profits; and the arguments have long since been exhausted in the attempt to conceal, under the guise of reducing the price of the manufactured article and enhancing the value of labor, the national curse of exacting from one section or class or classes of its citizens tribute and tithes to be paid out and distributed to the favored few.

The claims recently made by the leaders of the Republican party in the late campaign that what the country wanted was to open the "mills" and not the "mints" was answered by the reply that it would be useless and stupid to start the mills with an already overstocked and glutted market, a surfeit of goods, the product of the factories and mills, with no market and no purchasers, and this, too, because of the want of means with which to purchase of the thousands and millions of people who stand in urgent need of these things; that it was not more manufactured goods and the products of the mills to store away in the warehouses or lie idly upon the shelves that were demanded to relieve the prevailing distress, but a greater, more abundant supply of the means with which to buy—more money and a more equitable distribution of money and the profits of the industries of the country.

This has been the contention; this has been the ceaseless but unheeded cry of the great mass of the people for years; this has been the appeal coming up from every quarter and section, except from the great money centers of the East, the home center of paternal favoritism, of the policies of high protection, who have amassed colossal fortunes through the medium of laws such as is now proposed. And for more than twenty years the demand for relief through reforms in our financial system and a restoration of the free coinage of silver as part of the money of ultimate and final redemption has been met by the gold barons of the East and their allies, the Government bondholders and national banks, with the Shylock plea that personal and national honor forbid. They insist that the only honest dollar is the dollar that has been made the measure of all values by the most defiant, high-handed, and treacherous betrayal of a public trust in all the annals of our history. They insist that having secured an advantage under that beneficent system of lawmaking and law-producing wealth, and having utilized the opportunities given them thereby to change the standard of values of all kinds and species of property, although the act by which it was accomplished has ever remained under the shadow of a grave suspicion, and has often and openly been charged by those who have since become its apologists as being the result of a criminal conspiracy, that that act has all the sanctity and binding force of the ancient laws of the Medes and Persians, and must not be permitted to be disturbed by the agonized and agonizing cries coming up all over the land from its helpless and despairing victims.

The only way to obtain these results is by the inauguration of some policy that will inflate, if you please, the values of all kind of tangible property.

Think of the spectacle presented to the country by the efforts of the Republican party in trying to restore prosperity by restoring high and prohibitory rates of duty upon foreign imports in

order to encourage American industries, while at the same time refusing to legislate to give the people relief from their oppressions at home, occasioned by the destruction of about one half of their money and the appreciation of the remaining half to double its purchasing power; relief from the ruinous and self-destroying policy of the gold standard, that has carried with its increasing purchasing power a corresponding depreciation of all forms of property until it has reached the point where the farmer, the debtor, and taxpayer must all suffer a common loss, a loss they are not able to sustain and will not long be able to endure, for the consequences of this policy can not well be foretold.

It has well-nigh destroyed all hope upon the part of many who are involved from ever being able to pay their debts and liquidate the mortgages upon their small homes. It has so impoverished the great majority of farmers through the reduction of prices for their products and shrinkage in the values of their small holdings that they contemplate the future with constant dread and apprehension, not knowing how soon the title to their homes will be transferred through the sheriff's sale to satisfy the debt that but for this heartless policy of contraction and appreciation would have disappeared without a shadow of trouble.

I know it is charged by the advocates of the present existing gold standard, and will be repeated and reiterated, that the Democratic party and its Populistic allies who supported the Chicago platform are a wild, reckless, and irresponsible set of fellows, who are in favor of a cheap 50-cent dollar; in favor of a debased and depreciated currency; in favor of paying their debts in dishonest dollars; in favor of the Government, as well as all other debtors, paying their creditors in cheap and depreciated money, including the pensions due the nation's defenders. These are charges with which they have delighted to entertain their credulous followers since their sudden, though not miraculous, change of heart wrought at the St. Louis convention, in obedience to the mandates of the money power and its allied forces, the trusts and combines, whose masterful influence molded and shaped the financial plank of that convention, as they have molded and shaped the schedules of this Dingley bill.

Sir, the patience and forbearance of a long-suffering people must not be mistaken. Their patriotism and devotion are strong, earnest, and sincere; their trust and confidence rest in the firm belief that those intrusted with authority will not long permit the wrongs from which they suffer to go unrebuked. They demand that this shall be done, but the constant and persistent refusal to consider their distressful condition by those in authority, and to enact some measures of legislation for their relief, will ultimately weaken, if not destroy, that sentiment of attachment and reverence for the law and the lawmaking power which has borne such bitter fruit in the experience of other countries, to whose melancholy fate we may not prove an exception if we do not relent.

We may not intend any such consequences; certainly we do not. But we can not safely ignore the interests, the welfare, and prosperity of the great mass of the people by juggling with interpretations of the results of popular elections and seeking to justify or excuse, under dishonest pretenses, our further refusal to join in their demands for relief so far as that relief depends upon legislation. And I feel sure that, whatever is asserted to the contrary, one means of affording this desired relief—whatever others there may be—is the enactment of a law for the restoration of bimetalism; a law that will authorize the free and unlimited coinage of the standard silver dollar and place it back in our monetary system as it stood prior to its demonetization; and with this remedial legislation will come a revival of confidence, hope, and energy among the great agricultural interests, and values will again be restored to property and the products of enterprise of all kinds.

It is more money in circulation, more money to do business upon, but above all, better and higher prices for what the farmer sells—a better market. This is what the people want, instead of higher taxes and higher protection, as proposed by the Republican party. Prior to that about face of the Republican party you will search in vain for a single public declaration of any prominent leader of that party committing it to the gold-standard policy. It was professedly as strong, if not more zealous, in its assertion of the doctrine of the double standard, consisting of gold and silver as the basic money of the country, as the Democratic party. But this profession of friendship, while in many instances, no doubt, sincere on the part of many members of that party, yet as a party inconsistent with its record and at variance with every official act that has characterized its legislative history.

Cowering under the fear of openly declaring in its platform to what it was thoroughly committed in its legislative policy, it for many years successfully practiced this deceit upon the rank and file, and not until its last convention did it have the courage to avow its true and real position upon this question; and even then sought to placate and hold within its following many who otherwise would have abandoned its support but for the declaration, never

intended to be observed, in favor of international bimetalism. If it was meant to carry out in good faith this declaration as a principle or policy of the Republican party, why is it that in the message of the newly elected President, convening Congress in this extraordinary session upon the grounds of the urgent needs of the Government for more revenue, and the general depression existing throughout the country, from which there ought to be immediate and appropriate relief, the President did not mention and call attention to this subject, as he did to the tariff legislation?

You will search in vain every line and page of this message for an intimation in favor of immediate action of Congress upon this subject; not one word upon the question. Again, it will be found impossible to reconcile the policy of the majority of this House with any design or purpose to keep in good faith this pledge made to the people, for it is the open and avowed policy of the management of the majority side to refuse to legislate upon any and all subjects aside from the passage of the appropriation bills and what is already known as the Dingley tariff bill; and to this end the Speaker has refused to appoint any committees except those necessary to the passage of the bills mentioned, without which, as a matter of course, no general legislation can be done, though the members of this House will in all probability be compelled to remain in attendance until late in the summer, waiting on the Senate to consider and pass this and the other bills already passed this House. If this course does not forestall the policy of the party so recently intrusted with the responsibility of legislation, and clearly indicate its predetermined purpose not to permit any financial nor any other general legislation at this session, then I fail to interpret the situation aright.

In the course of the discussion upon this bill it is clearly disclosed by the leaders upon the other side of this Chamber that it is not the opinion of the Republican party that any change of the present policy as regards the gold standard is demanded, for it is openly and repeatedly stated, almost in every speech made upon that side of the Chamber, that the result of the last election was decisive upon the question of sound money and conclusively shows that the country wants no change; that the result of that election is, and must be, understood as conclusively settling the question against the free coinage of silver. Upon this interpretation the majority seem to rely as an excuse for their refusal to enter upon any financial legislation at this time. If you are correct in your view of this verdict at the ballot box, you may find ample justification for your present course; but if you mistake as to this, as we sincerely believe you do, then you may find much difficulty in explaining your action.

The Democratic party now, as in the last campaign, aided, if you please, by the cooperation of the Populist party, because in full harmony with us upon the all-important and paramount question of the money and financial system which we believe and contend should be restored to the people of this country as the first and most essentially important reform upon which must rest the future hopes and reliance of the masses for relief, will not permit this question nor this issue to be obscured by any attempt upon the part of our adversaries to evade either its importance or its responsibilities. I am fully aware that during the last campaign it was in many parts with the utmost reluctance that Republican speakers would admit that the money question was at all involved in the contest, or that this had anything to do with the prevailing hard times.

You were exceedingly anxious then and equally as ingenious now in the employment of evasions in trying to divert public attention from this subject. Then, as now, you preferred to emphasize the importance of the tariff, and claimed then, as you now pretend, that all the calamities that afflicted the country were brought about by President Cleveland and the Democratic party in supplanting the McKinley tariff law with the Wilson bill, in changing the policy from high protection to freer trade, when the only difference between the two was a little less than 10 per cent on an average.

The country will not be willing to accept now as the only relief offered them a return to still higher tariff rates than the McKinley bill levied as a full performance of the promise and pledge of your party. The country will demand the enforcement of the policy proposed in your platform, namely, the restoration of bimetalism by international agreement, which you asserted you were in favor of, and which you contended could only be accomplished through this foreign intervention. If, as your party declared, the gold standard is not calculated to promote the best interest or suitably adapted to be incorporated as a fixed principle in our monetary system and should be discarded for the bimetallic system as soon as that could be accomplished through an international agreement, then your party will have failed to give the country that full measure of relief to which they are entitled unless in addition to your tariff legislation you go further, and pass some measure at the earliest opportunity looking to the accomplishment of this end.



We are not urging you, however, to do this; we do not have any faith in your theory; no faith in your ability to secure it. Our experience and results of past efforts in this direction are ample proof that any renewal of such an effort at this time will meet with no better success, but we desire to remind you that if you have faith in this policy, and mean to carry it out, you are wasting a golden opportunity by not attempting to pass some legislation to carry into execution this Republican scheme of financial relief instead of burning daylight by your forced and repeated adjournments. Now that you have about discharged the first duty laid upon this special session of Congress under the call of the President in compliance with the President's request, the second obligation thereby imposed has been reached, for he said in his inaugural address that the question of first importance was the tariff, and then a revision of our monetary system.

We have in the case of this Administration and the Administration that came into power in 1893 a peculiar political paradox. In 1893 we won the battle and our triumph was complete on the tariff question. The shouts of the marching victors and the glare of the lighted bonfires had scarcely died away when President Cleveland convened Congress in extraordinary session to revise the currency laws and our financial system, notwithstanding he and the enthusiastic Democratic hosts had won the election on the tariff issue. In 1896 the Republican party claim they triumphed on the money question, and thereupon, with precipitate haste, President McKinley convenes Congress in its thirteenth extraordinary session to consider and pass a tariff measure. In view of existing conditions, it is hardly likely that the Republican party will escape a similar fate as the result of the extra session of 1897. When it becomes known, and that will not be long, that the Dingley bill levies upon the people of this country, as it does annually, additional taxes estimated at \$113,000,000 and makes the average rate of duties 57.03 per cent, as against 49.58 per cent under the late McKinley law and 39.94 per cent levied under the Wilson bill, the full measure of its enormous exactions will readily be appreciated.

But, Mr. Chairman, speaking for myself, and I believe reflecting the sentiment of the Democratic party, as well as a large per cent of the more conservative of all other parties, I say we would much prefer to support a measure that would restore to the circulation of the country this vast sum of money rather than withdraw it from the people and the channels of trade by taxation and put it into the Treasury of the United States, especially when not needed to meet the demands of the Government. The question of tariff agitation has been one of periodical recurrence since the foundation of the Government, and our history attests the fact that we have had periodical reverses and hard times under what has been called high protection and low tariffs, and some of the most acute stages of these hard times have been reached under the highest tariff laws. So that it is not safe to rely upon tariff legislation as either a sure preventive or a safe curative of these ills. They have played their part, I concede you, in aggravating the evils which have their origin in a still worse system, if possible, than any tariff laws. But by the operation of these unjust and inequitable laws the masses of the people, and especially the agricultural classes and the great producers of wealth in the great farming districts of the Southern, Central, Western, and North-western States, who depend upon the great agricultural products of these sections, beyond the reach of all benefits of protection, have been drained of their resources. In proof of this fact I desire to submit, to be printed as part of my remarks, a tabulated statement carefully prepared by a reliable and enterprising newspaper in the year 1895, the Atlanta Constitution, based upon official data furnished by the auditors and comptrollers of forty-three States and Territories, regarding the increase and decrease of property valuation therein for the years 1893 and 1894. The following table is a summary of the facts gathered:

State or Territory.	1893.	1894.	Increase.	Decrease.
Alabama	\$290,172,590	\$243,171,677	-----	\$17,000,913
Arizona	28,408,138	27,061,979	-----	1,406,239
Arkansas	173,626,484	171,965,480	-----	1,597,004
California	1,216,700,000	1,205,918,000	-----	10,782,000
Colorado	238,722,417	208,905,279	-----	29,817,138
Florida	102,905,406	104,246,969	-----	1,341,563
Georgia	452,644,907	429,012,923	-----	23,631,984
Idaho	33,000,000	28,000,000	-----	5,000,000
Illinois	847,191,516	824,651,628	-----	22,539,888
Indiana	1,362,004,609	1,275,435,377	-----	86,569,232
Iowa	565,857,799	556,412,766	-----	9,445,033
Kansas	356,621,818	337,501,722	-----	19,120,096
Kentucky	706,790,076	696,220,942	-----	10,579,134
Louisiana	250,045,503	251,001,948	-----	1,045,845
Maryland	524,056,241	529,138,103	-----	5,081,862
Maine	270,812,782	272,319,370	-----	1,506,588
Massachusetts	2,791,582,144	2,815,883,621	-----	24,301,477
Minnesota	642,903,651	648,759,254	-----	5,855,603
Mississippi	190,949,527	159,058,436	-----	1,891,091
Missouri	994,589,787	999,951,980	-----	5,362,193

State or Territory.	1893.	1894.	Increase.	Decrease.
Montana	\$127,548,175	\$118,850,892	-----	\$8,698,083
Nebraska	194,733,124	183,717,498	-----	10,015,626
Nevada	26,178,060	23,629,720	-----	2,548,340
New Hampshire	274,816,342	239,683,799	-----	35,132,543
New Jersey	768,285,274	774,388,332	-----	\$6,103,058
New Mexico	43,630,240	41,128,620	-----	2,501,620
New York	4,038,068,949	4,273,942,431	-----	235,883,482
North Carolina	261,717,727	262,927,119	-----	1,209,392
Oklahoma	15,020,927	14,830,495	-----	190,432
Oregon	168,088,995	159,399,383	-----	8,689,612
Pennsylvania	3,115,339,549	3,162,114,251	-----	46,774,702
South Carolina	170,242,261	173,508,289	-----	3,266,028
South Dakota	136,032,840	128,046,765	-----	7,986,075
Tennessee	338,731,725	319,822,197	-----	18,909,528
Texas	886,175,306	867,814,306	-----	18,361,000
Utah	117,505,375	99,542,472	-----	17,962,903
Vermont	170,051,865	175,132,912	-----	5,081,047
Virginia	406,945,118	464,038,922	-----	57,093,804
Washington	285,634,246	228,356,572	-----	57,277,674
West Virginia	222,218,154	229,007,407	-----	6,789,253
Wisconsin	654,000,000	600,000,000	-----	54,000,000
Wyoming	32,356,801	29,198,041	-----	3,158,760

The official record of the value of property returned for taxation in 1893 and 1894: Five hundred millions missing from the South and the West.

This table is given to prove that whatever financial disasters may overtake the balance of the country, New England and its allies remain undisturbed and continue their work of accumulation.

#### NEW ENGLAND.

Out of these 43 States and Territories, only 12 show an increase of property valuation, while the remaining 31 show almost uniform decreases. The total increase for the 12 States is \$337,800,753.

Of this amount, \$235,883,482 comes from New York alone. Seventy per cent, it is seen, comes from New York, and 70 per cent of the balance comes from Massachusetts and Pennsylvania. The total increase in the remaining 9 States is \$30,822,022.

The thirty-one States and Territories show a falling off. This decrease in property valuation amounts to the enormous sum of \$500,185,785. This remarkable showing, when compared with the per cent of the increase in the wealth of the Eastern States, is startling and can only be accounted for upon some theory of a radical wrong in the operation of the system of laws which have from time to time been placed upon our statute books. New Hampshire and Vermont show a decrease, but, taken as a whole, the entire New England and Middle Atlantic States show a net increase in property valuation for taxation of \$312,110,555. Only two of the Western and Middle States show an increase, and the net decrease from that vast territory foots up \$319,824,735. In the 12 Southern States given, 4—North and South Carolina, Florida, and Louisiana—show a small increase.

Here are facts and figures that, if correct—and their accuracy is not disputed—of themselves furnish an argument unanswerable, showing the most monstrous system of legalized robbery and exchange brigandage of this or any other country. If any further proof was wanting to convince any fair and candid mind that this system is wrong and must be changed, and that without delay, if we shall hope to preserve our free institutions and secure our people from total bankruptcy, it may be found in the still further comparisons as shown by a quotation from the able and exhaustive speech of the Hon. J. L. McLAURIN, of South Carolina, upon this subject, delivered from the floor of the House pending this debate. Mr. McLAURIN said, in the course of this speech:

I shall quote, to some extent, from a synopsis of the census bulletins by Mr. S. S. King, found in his book entitled *Bondholders and Bread Winners*. I will begin with the States of Indiana, Illinois, Iowa, Nebraska, Louisiana, Mississippi, Alabama, Georgia, and North Carolina. These nine great States are those upon which the country depends for the production of wheat, corn, and other cereals, meat, dairy products, sugar, cotton, tobacco, rice, and almost everything that the agricultural portion of our country produces.

With these I will compare the States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, and Pennsylvania. In these nine States is found the great manufacturing and money centers of the nation. The relative condition of these two groups of States should give a fair interpretation of the truth or falsity of my position. The first group of States has 486,040 square miles of land, while the second group of States has but 168,655 square miles, about 3 to 1. The population of the first group is 13,400,167 people, while the second is 14,507,407. During the ten years between 1880 and 1890 the first group, or producing States, gained in wealth \$559,441,974, while the second group, or manufacturing and money-lending States, gained in wealth \$3,054,762,722. In other words, the nine manufacturing States, with but one-third as much land and less than two million more people, gained in wealth five times as much as the producing States. The producing States gained 22 per cent in people and 20 per cent in wealth, while the manufacturing States gained 30 per cent in people and 40 per cent in wealth.

Again, let us compare these nine producing States with the single State of Massachusetts. As I stated before, these nine States contain 486,040 square miles. Massachusetts has only 8,315 square miles. These nine States contain 13,400,167 people, while Massachusetts has but 1,783,085. These nine States in 1880 had an assessed valuation of \$2,702,919,155. The assessed valuation of Massachusetts was \$1,584,756,802. The relative position which these nine States held to Massachusetts regarding land, labor, and capital was: Land, 58 to 1; labor, 7 to 1, and capital, 3 to 1. The nine producing States had 58 times as

much land, 7 times as much labor, and double the amount of capital that Massachusetts had. Under such conditions it would seem that with all these advantages the increase of wealth would be largely in favor of the nine producing States; but such is not the case. While these nine producing States increased in wealth during the ten years between 1880 and 1890 \$599,441,794, the little State of Massachusetts increased in wealth \$599,377,824.

This one little manufacturing State increased in wealth nearly ten millions of dollars more than these nine great producing States. Striking as these figures are, they will be surpassed as the comparison is continued. To these nine great producing States I will add Florida, Kentucky, and Kansas, and compare these 12 States with the State of Pennsylvania. These 12 States contain 667,100 square miles. Pennsylvania has but 45,215. In 1880 these 12 States contained 16,323,441 people. Pennsylvania only 4,282,891. The assessed valuation of these 12 States in 1890 was \$3,335,313,121, that of Pennsylvania \$1,693,459,016. The gain of these 12 States in wealth in ten years was \$897,184,160, while the gain of Pennsylvania for the same period was \$909,382,016. With 14 times as much land, 4 times as much labor, and twice as much capital, these 12 great States were led by the single State of Pennsylvania more than \$12,000,000.

To these 12 States I will add Tennessee, Virginia, and West Virginia, making 15 States, and compare them with New York. These 15 States have an area of 776,480 square miles; New York has but 49,170. These 15 States had a population of 19,996,827 in 1880, while New York had 5,082,871. The assessed valuation of the 15 States at that date was \$3,995,169,502, while that of New York was \$2,651,940,006. The gain of these 15 States in wealth during the ten years named was \$1,117,188,218; that of New York was \$1,123,385,932.

With one-sixteenth as much land, one-fourth as many people, and but two-thirds as much capital, this one State of New York increased its wealth about six millions more than these 15 great States. It seems almost incredible, but such are the facts.

Again, Mr. Chairman, I desire to submit in this connection, and have printed, a table showing the losses in farm values from 1850 to 1890.

	Total values.	Farm values.	Other values.
1850.....	\$7,135,780,228	\$3,271,575,426	\$3,864,204,802
1860.....	16,159,616,066	6,645,045,007	9,514,571,051
1870.....	30,038,518,507	9,232,803,861	20,805,714,646
1880.....	43,642,000,000	10,197,066,776	33,444,933,224
1890.....	65,037,091,197	13,279,232,649	51,757,858,548

These figures show a steady increase in manufacturing wealth and a steady decrease in farm values.

The capital invested in manufacturing industries increased 121 per cent from 1850 to 1890, while during that same period farm values decreased from 30 per cent of the total wealth of the country to 20 per cent of the same.

#### FACTORY AND FARM LABOR COMPARED.

The census reports contain the following complete statement regarding the entire manufacturing interests of the country:

Entire capital invested.....	\$6,524,475,305
Value of all manufactured products.....	9,370,107,024
Miscellaneous expenses.....	\$630,944,058
Wages paid.....	2,282,825,265
Cost of raw material.....	5,158,868,353
Net profits.....	1,297,471,948

This table shows a net profit of 20 per cent on the capital stock of all manufacturing concerns for the year 1890.

The census also gives a corresponding but not so complete a statement regarding agriculture:

Number of farms in the United States in 1890.....	4,564,641
Number of acres in farms.....	623,218,619
Number of acres in average farm.....	137
Total value of farms and stock.....	\$15,982,267,689
Value of farm products sold, consumed on the farm, and on hand.....	\$2,460,107,454
Value of farm products per average farm.....	\$538

A careful comparison of these statements will furnish material for much serious consideration. The manufacturing interest, with capital of six and one-half billions, made a net profit of \$1,297,471,948, and paid for labor over two billions of dollars. During the same year agriculture, with nearly sixteen billions capital, made a gross profit of \$2,460,107,455, and is credited with paying nothing for labor.

The census shows more laborers on the farm than in the factories, but if we call the number equal and give them like wages we find the net profits of agriculture to be only \$177,279,189, or but 1 per cent of the capital invested.

A difference in remuneration of 19 per cent per annum between agriculture and manufacture is unfair and can not be defended.

I will print the following statement, sent Senator MILLS, of Texas, in response to an inquiry, which bears upon the question under discussion:

DEPARTMENT OF LABOR, Washington, D. C., February 6, 1894.

MY DEAR SIR: In response to yours of January 19 and January 20, I have the honor to state that from the very best sources which I have been able to

consult I estimate the average annual earnings in all manufacturing industries in the countries named by you to be as follows:

Country.	Total value of products.	Number of employees.	Product per hand.	Annual wages paid.
United Kingdom.....	\$4,100,000,000	5,180,000	\$790	\$204
France.....	2,245,000,000	4,443,000	545	175
Germany.....	2,915,000,000	5,350,000	545	155
Russia.....	1,815,000,000	4,760,000	381	120
Austria.....	1,265,000,000	3,000,000	409	150
Italy.....	605,000,000	2,281,000	265	130
Spain.....	425,000,000	1,167,000	364	120
Belgium.....	510,000,000	953,000	545	105
Switzerland.....	160,000,000	370,000	431	150
United States.....	7,215,000,000	3,837,000	1,880	347

1. United States, \$347; 2. Great Britain, \$204; 3. France, \$175; 4. Belgium, \$165; 5. Germany, \$155; 6. Austria, \$150; 7. Switzerland, \$150; 8. Italy, \$130; 9. Spain, \$120; 10. Russia, \$120.

The above estimate has been made, so far as the United States is concerned, from the actual number of persons employed and the total wages paid to them, as shown by the census of 1890. For Great Britain they have been made largely from British figures, and for the other countries the estimates have been made from statements originating with foreign authorities and verified by facts collected by agents of this Department. While the actual figures given in the above estimates may not be more than approximately correct, the proportions, I feel sure, are fair.

I am, very respectfully,

CARROLL D. WRIGHT,  
Commissioner.

Again, I submit as appropriate in this connection a still further extract from the speech to which I have referred, including a tabulated statement accompanying the same, under the heading of the

#### DISTRIBUTION OF CAPITAL AND WEALTH.

I will now take up the distribution of the capital and loanable funds, which will show a greater inequality than that which exists in either previous statement. In this connection I will print a table from the report of the Comptroller of the Currency for 1893:

Table showing, by States and Territories, the population of each on June 1, 1893, and the aggregate capital, surplus, undivided profits, and individual deposits of national and State banks, loan and trust companies, and savings and private banks in the United States on or about June 30, 1893; the average of these per capita of population, and the per capita averages of such resources.

State or Territory.	Population June 1, 1893.	All banks.	
		Capital, etc.	Average per capita.
Maine.....	664,000	\$89,707,745	\$135.10
New Hampshire.....	385,000	102,640,545	266.60
Vermont.....	333,000	47,893,258	143.79
Massachusetts.....	2,462,000	803,901,450	326.52
Rhode Island.....	307,000	142,298,067	387.73
Connecticut.....	791,000	218,071,008	275.60
New York.....	6,311,000	1,830,980,879	291.55
New Jersey.....	1,557,000	130,829,792	87.88
Pennsylvania.....	5,600,000	635,060,300	113.40
Delaware.....	175,000	15,630,358	89.31
Maryland.....	1,060,000	110,307,805	103.27
District of Columbia.....	280,000	22,364,276	83.14
Virginia.....	1,690,000	44,829,571	26.13
West Virginia.....	800,000	22,624,943	28.28
North Carolina.....	1,698,000	13,167,178	7.89
South Carolina.....	1,184,000	19,010,617	16.06
Georgia.....	1,917,000	38,014,463	19.83
Florida.....	437,000	8,624,906	19.74
Alabama.....	1,592,000	14,144,814	8.94
Mississippi.....	1,332,000	12,162,863	9.13
Louisiana.....	1,190,000	38,632,863	32.78
Texas.....	2,386,000	73,245,261	30.70
Arkansas.....	1,222,000	8,337,230	6.83
Kentucky.....	1,905,000	78,873,840	41.40
Tennessee.....	1,830,000	37,623,635	20.62
Missouri.....	2,815,000	176,000,771	62.07
Ohio.....	3,804,000	246,557,236	64.81
Indiana.....	2,250,000	78,954,829	35.09
Illinois.....	4,119,000	285,184,145	69.23
Michigan.....	2,237,000	130,848,877	58.50
Wisconsin.....	1,826,000	97,715,823	53.51
Iowa.....	1,982,000	123,873,045	62.49
Minnesota.....	1,498,000	110,295,433	73.62
Kansas.....	1,516,000	52,497,761	34.63
Nebraska.....	1,303,000	81,135,798	62.17
Nevada.....	45,000	1,074,641	23.86
Oregon.....	373,000	17,062,442	48.15
Colorado.....	405,000	39,446,851	79.69
Utah.....	230,000	14,040,682	61.04
Idaho.....	108,000	23,348,828	31.01
Montana.....	179,000	3,677,749	20.52
Wyoming.....	77,000	4,598,619	59.72
New Mexico.....	165,000	3,380,024	20.52
North Dakota.....	253,000	10,885,193	43.02
South Dakota.....	430,000	13,499,311	31.39
Washington.....	485,000	30,715,337	63.33
Arizona.....	64,000	1,814,001	28.35
California.....	1,317,000	289,584,676	219.88
Oklahoma Territory.....	130,000	1,523,792	11.57
Indian Territory.....	105,000	801,822	4.72
Total United States.....	67,021,000	6,412,990,954	.....



This vast fund of so-called loanable funds does not stand for the money in circulation alone. It includes not only that, but the deposits, redeposits, and bank credits which enter into our complex commercial system.

#### A STARTLING COMPARISON.

Taking the table as it stands, it will be seen that the eleven Eastern States, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Maryland, and Delaware, control \$4,142,372,216 out of the aggregate amount of \$6,412,939,953.

The eleven Southern States, Virginia, West Virginia, North and South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Texas, and Arkansas, control but \$291,711,700, and the remaining twenty-seven States and Territories control \$2,078,756,999. In other words, the eleven Eastern States hold 64 per cent of these loanable funds, while the eleven Southern States have but 5 per cent.

A careful analysis of this statement will be required to discern its full import. The eleven Eastern States, with an area of only 117,062,640 acres, control \$4,142,372,216 of this fund, while the eleven Southern States, with 479,956,756 acres, have but \$291,711,700. Reduced to an average, this gives the eleven Eastern States \$35.38 per acre, and to the eleven Southern States less than 7 cents per acre.

Again, the population of the eleven Eastern States is 13,984,000. The population of the eleven Southern States is 14,967,000. Reduced to a per capita average gives each individual in the Eastern States \$216, and each individual in the Southern States \$14.03.

In other words, it is shown by this table that while the 11 Eastern States named, with an area of only 117,062,640 acres, and a population of 13,984,000, control \$4,142,372,216 of the total aggregate available capital and loanable funds of this country, or, reduced to an average, these 11 Eastern States control \$35.38 per acre or \$216 per capita, while the remaining 38 States and Territories of the Union, with a population of 49,037,000, or nearly three times as large as that of the Eastern States, with an acreage covering more than four-fifths of our vast domain of territory, possess only \$2,270,567,737 of the \$6,412,939,953, or about \$51 per capita.

These figures, Mr. Chairman, afford to the patient and painstaking student, interested to inquire into the general trend and tendency of Republican policies, high protection laws, and adverse silver legislation that have dominated and controlled the administration of public affairs for the last fifteen or twenty years, valuable and instructive reading. A careful and conscientious investigation of the facts disclosed is calculated to excite distrust among the thoughtful and reflecting and create a belief among many unprejudiced minds that we are being deceived and victimized by the confidence "game" that has ever been employed to entrap the unwary and unsuspecting. They know, and we know, that they have as a victim a people of easier access than the foreigner; a people who are unable and can not escape the binding effect of Congressional action; a people whose Representatives upon this floor have been admonished that they have and shall have no hand in the construction of this bill; a people who, for all purposes of taxation and paying tribute, have ever been regarded and treated as foreigners by the gentlemen who are forcing this measure through this House. That people are the great producing classes of the West and the great North and Southwest.

The agricultural class of this country, constituting its greatest productive power and nearly one-half of its consuming power and force, is a class whose homes and modest abodes are left unlighted and untouched by the benefaction of its favor and abandoned to the vengeance of the destroying angel conjured up by the provisions of this bill. The authors of this bill know well that the producing class of this country can not escape the operation of that economic law that declares that the debts and taxes of a nation must eventually be paid, if at all, in the product of that country; that the farmer, the artisan, the miner, and the laborer must wrench from the soil and carve from whatever material resources nature has endowed and blessed the land with sufficient of its raw products to give in exchange for and to pay and liquidate all these debts and taxes.

Those who purchase these products and handle them in the shops and on the markets can, and do, generally, protect themselves from the burden of these debts by the prices they fix in their own markets. As the bonded and national debt increases, as taxes are increased, as privileged, exempted, and monopolistic classes are built up, they can save themselves from the extra taxation consequent thereon by ceasing to purchase or, as is usually the case, by falling back on the producer and force him to take less for the products of his toil and labor. This accounts for the fact that during times of great depression and stagnation the producer gets less and less for his products, while there is no corresponding diminution in the prices of those things he has to buy. And thus the great burden of increased taxation at last falls either directly or indirectly upon the producer. Have they no right to complain—to enter their protest against this iniquitous system of taxation?

There is absolutely no security, no protection for him. He can not, in the very nature of things and the position he occupies in industrial society, be protected only in so far as his natural rights are protected by just and equitable laws, laws that preserve and maintain his rights to deal with his fellow-men without their exacting therefor a surrender of an undue proportion of the fruits of his labor and toil, a right which the pending bill proposes to

wrest from him by a combination of open violence and latent duplicity. An increase of the national debt, an increase of the Government expense, or an increase of taxation for any purpose, is a warning given to the producer that he must make up his mind to take a less price for the results of his labor, a less price for his wheat, his corn, his oats, his surplus of whatever it may consist.

How different a similar condition of public affairs, though even much more aggravated than that with which we are confronted to-day, was met by Sulley, the great minister of finance of Henry of Navarre, in the most trying crisis of the French people, when he undertook to restore and secure prosperity to the industries of that country, rent and wrecked by the fierce and bitter passions of internal religious wars. He proceeded upon the wise and statesmanlike principle that agricultural prosperity and thrift were the foundation of all prosperity, and he succeeded in reviving the ruined and destroyed industries of that country by curtailing the expenses and reducing the taxes of the Government and abolishing and wiping out trade and commercial restrictions that fettered and shackled agriculture.

How very different, indeed, the spirit that animates and stimulates the Dingley bill—a spirit that has held high carnival and run riot in the conduct of public affairs during the last twenty or twenty-five years, that has increased the expenses of the Government from a few millions to over \$500,000,000 annually, and has swollen the tide until of recent years it has reached the high-water mark of over \$1,000,000,000; a spirit that has begotten such extravagance among our people in certain quarters that the boast of our Republican friends that this is a billion-dollar country and their party a billion-dollar party is greeted with shouts of applause. Conscious that privilege, trusts, and monopoly spring from indebtedness, high and excessive taxation that burden and enthrall a people, that same spirit, intensified and encouraged by the insatiable greed and avarice of those who fatten and thrive upon this boasted profligacy, has seized this, another opportunity of securing princely bounties under the provisions of this bill, a fitting culmination of that policy which is rapidly converting American citizenship into a mere taxpaying and burden-bearing function to sustain the royal privilege of individuals and classes.

To illustrate the statesmanship applied and the methods employed in the administration of our national debt, and to afford a fair example of how debts and taxes are made a burden that incessantly prey upon and eat out our substance and destroy our resources, I hereby submit a statement which, though often made, can not be too often repeated:

On the 1st of March, 1866, the national debt was.. \$2,827,868,959  
The Cleveland Administration added to that..... 262,315,400

Total..... 3,099,484,359

The bondholders paid for the above bonds only \$1,633,739,638, and the Government has paid back therefor to the bondholders the following sums:

On the principal..... \$1,800,000,000  
In interest..... 2,600,000,000  
By way of premium..... 58,000,000

Total paid to bondholders..... 4,458,000,000

So that there has been paid back to the bondholders nearly three times the amount which they paid to the Government, and there is still left a balance of the national debt unpaid amounting to \$1,226,007,800.

But the most surprising feature of the condition of the national debt and its management is not disclosed in the above exhibit, but consists in the fact that after all these more than thirty years of struggle, hardship, and honest effort to pay this debt it stands to-day equally as large, equal as a burden, equal in its purchasing power, when compared with the present prices of wheat, corn, cotton, meat, and other products of the farm and field, as it was when it was first assumed. However paradoxical this may seem, yet it is true, as the following tabulated statement will show:

Table showing the average price in 1865 and in 1895 of nine of the staple products of the country.

	1866.	1895.
Wheat.....per bushel..	\$1.90	\$0.58
Corn.....do.....	1.06	.30
Flour.....per barrel..	10.75	3.50
Cotton.....per pound..	.42	.08
Mess pork.....per barrel..	28.37	8.20
Sugar.....per pound..	.11	.05
Wool.....do.....	.53	.21
Beef.....per cwt.....	15.25	9.50
Bar iron.....per pound..	.061	.021

The following table shows how much of the above and foregoing products, respectively, the whole national debt could have

purchased in 1866 and how much the balance left at the close of the year 1895 could purchase:

	1866.	1895.
Wheat.....bushels.....	1,486,842,105	2,153,620,688
Corn.....do.....	2,708,800,000	5,630,003,903
Flour.....barrels.....	232,790,697	353,571,428
Cotton.....pounds.....	5,885,416,000	14,558,823,529
Meat pork.....barrels.....	99,576,313	150,915,853
Sugar.....pounds.....	25,383,348,314	24,750,000,000
Wool.....do.....	6,330,188,679	5,755,815,953
Beef.....cwt.....	181,967,213	130,283,136
Bar iron.....pounds.....	41,851,851,851	46,348,314,006

So it will be observed that the national debt is, in fact, greater than the foregoing figures show, for the reason that the last bond issue of Mr. Cleveland is not included or considered in the table. It is therefore apparent from the foregoing tables and figures that the purchasing power of the national debt is not only not reduced, but, if any difference, greater now than it was in 1866, and after we have paid upon that debt the enormous sum of \$4,458,000,000.

But, Mr. Chairman, this is not all. In order that we may more thoroughly comprehend and understand the effect of this system of increasing the purchasing power of the debts and taxes, and I may well add the money of the country, by the establishment of the gold-standard policy upon the individual, we can not fail to note the ever increasing number of failures reported since the adoption of this appreciating standard of money.

Number and liabilities of failures.

Year.	Number of failures.	Liabilities.	Year.	Number of failures.	Liabilities.
1873.....	5,163	\$228,490,000	1885.....	10,637	\$124,220,321
1874.....	6,830	156,230,000	1886.....	9,634	114,644,119
1875.....	7,740	201,000,000	1887.....	9,634	167,500,944
1876.....	9,002	191,117,000	1888.....	10,670	128,829,973
1877.....	8,872	190,000,000	1889.....	10,882	148,784,337
1878.....	10,478	204,483,132	1890.....	10,907	189,856,904
1879.....	6,639	98,149,033	1891.....	12,273	180,808,658
1880.....	4,736	65,732,000	1892.....	10,344	114,044,167
1881.....	5,282	81,155,982	1893.....	15,242	246,749,889
1882.....	6,736	102,000,000	1894.....	13,885	172,902,856
1883.....	9,184	172,874,172	1895.....	13,197	173,198,080
1894.....	10,906	226,340,427	1896.....	15,088	226,000,834

If we take the official reports and apply them to an ordinary farm, such as the ordinary farmer owns and occupies, and estimate the prices of the surplus products he and his family raised and had for sale twenty-four years ago and now, we find that it loses annually, as near as the same can be approximated from statistics. On 500 bushels of wheat, \$250; on rye, oats, potatoes, etc., \$50; on 600 bushels of corn, \$120; on 10 tons of hay, \$30; on 3 horses and mules, \$100; being a total of \$500.

Now, taking the farming land as a whole, it is estimated from the figures of the Agricultural Department that the reduction of the annual income is \$7 per acre. One billion eight hundred million dollars has been taken from the farmers' annual income, which if left to them, would be a better encouragement and protection to the industries than a thousand Dingley bills.

During this period we have passed through many varied experiences—panics, major panics and minor panics, bankers' panics and business panics, bankruptcies without number or limit, five or six great labor strikes, resulting in labor wars and more or less loss of life and property; all under the fostering and paternal care of high protection.

Now, Mr. Chairman, in view of the fact that the measure now proposed, which purports to be a measure to provide revenue for the Government and to encourage the industries of the United States, will not accomplish the full measure of relief that is demanded, whatever may be its merits as a revenue producer and whatever effect it may have upon the general business situation, it is plain to all thoughtful and reflecting men that the time has arrived when the financial problem must be taken up and solved, to the end that needed relief beyond the reach of tariff legislation shall be afforded the masses; and while not technically germane to the subject of this bill, yet is so intimately connected therewith that its consideration can not well be avoided consistent with an intelligent understanding of the situation, I shall venture in this connection to briefly state a few facts and reasons why I regard this question as of first importance in the reforms conceded to be necessary.

By whom is this problem to be solved, and how is the relief to be secured? We all agree, at least did so during the last campaign, that to make gold only our money standard is to benefit the few and oppress the many. What, then, are we to have—silver and gold on a parity as our standard money, or shall we

reverse the position of the two metals as they now stand before the country and legally legislate silver into the position of gold and place gold where silver now stands? Such a result, it is contended by our Republican friends, would follow the free coinage of silver by independent action of this Government. This argument has been employed and relied upon by the advocates of the gold standard, and as a further and still more serious objection, they insist that this result would drive gold out of the country and bring about a derangement in our financial and commercial relations that would disturb and destroy business confidence and involve in ruinous consequences our whole financial system.

Little indeed do they consider the almost universal ruin and bankruptcy they have entailed by the establishment of their policy. If, as contended, such a departure in the value of the two metals, or difference in the value of the two dollars, would certainly follow as the natural and logical result of the policy for which we contend, then there might be some reasonable excuse for the position now occupied by the majority of the other side of this Chamber. But in order to make any kind of defense of your position, you assume premises and take for granted certain facts that have not only never been conceded or admitted, but have always been open questions of dispute and controversy. Your contention rests wholly upon theoretical reasoning, and not upon proven or demonstrated facts.

Your contention ignores not only the experience of more than eighty-odd years of our history, but important and controlling facts that are capable of proof and the most satisfactory demonstration. But if it should be conceded that the free and unlimited coinage of silver at the ratio of 16 to 1 upon terms of equality before the law with that of gold would place this country upon a silver instead of a gold basis, what would be the result? Would Wall street then, as it does now, control the finances of our country? Would there be any more labor troubles? Would there be an increase in the number of poor, impoverished, and idle men and women without employment or working at starvation wages? It is the common belief that with this change would come an end to all these troubles. But this is not the contention. This is not the question at issue.

The controversy is one of wider scope. The Democratic party assumes and places its claims to public confidence and popular approval upon the higher plane of the sovereign right of a free people to exercise the supreme prerogative of legislating upon all matters affecting the general interest, welfare, and prosperity of the people, free from the dictation and independent of the consent of any other government, potentate, or power. The Democratic party has faith in the ability, resources, and strength of this Government, patriotism of its people, and wisdom of its statesmanship to devise, establish, and maintain a financial system, as well as a revenue system, on its own responsibility, without the aid or consent of any foreign influence, power, or government.

In this we differ from our friends upon the other side of this Chamber, who occupy the unique position of declaring to the country in their McKinley and Dingley tariff bills that we are independent, great, and powerful, and will enact such tariff legislation as suits us, regardless of the financial or commercial interests of any and all foreign powers, even to the extent of shutting them out and our people in in all commercial exchange, barter, and trade, but that we are too weak, impotent, and powerless to regulate our own money system without the consent of the leading commercial nations of Europe.

The Democratic party believes that our people are more dependent upon Europe and the great commercial nations of the world for a market in which to sell and dispose of our surplus products—the wheat, cotton, corn, and other staple products of the farm, as well as the products of our mills, mines, and factories—than we are upon their wisdom and disinterested statesmanship to influence, mold, and shape our financial policies. The Democratic party believes in a safe, sound, and stable currency, and enough of it to transact the business of the country and afford a sufficient circulating medium to restore back losses sustained in the shrinkage of property values.

The minority upon the floor of this Hall, representing a majority upon this question outside of this House, are as firm and sincere in their devotion to a sound and safe currency system as our friends of the majority, and all their apparent candor in professing to believe otherwise is merely a play to the galleries and the country. I will not impugn the motives of those who differ with me upon the questions involved in this controversy, but I have the right to question the motives of those who attempt to pose before the country as the censors of other people who may happen to not agree with their views upon questions of finance.

But let us see if the leaders upon your side have always entertained the views they now profess; whether your party has not been upon both sides of this question. I wish first to quote the language of some of the recognized leaders of your party, whose statements will not be denied as authoritative declarations of the position of your party at the time they were made. Many years



ago, at the close of the civil war, and before it became fashionable for our friends to denounce the advocates of silver money as anarchists, Abraham Lincoln, in his last public utterance, on the 14th of April, 1865, addressing Mr. Colfax as he was on the eve of his departure to the West to examine into the condition of the projected Union Pacific Railway, said:

Mr. Colfax, I want you to take a message from me to the miners whom you visit. I have very large ideas of the universal wealth of our nation. I believe it practically inexhaustible. It abounds all over the Western country, from the Rocky Mountains to the Pacific, and its development has scarcely commenced. During the war, when we were adding a couple of millions of dollars every day to our national debt, I did not care about encouraging the increase in the volume of our precious metals. We had the country to save first. But now that the rebellion is overthrown and we know pretty nearly the amount of our national debt, the more gold and silver we mine, we make the payment of that debt so much the easier. Now, I am going to encourage that in every possible way.

We shall have hundreds of thousands of disabled soldiers, and many have feared that their return home in such great numbers might paralyze industry by furnishing suddenly a greater supply of labor than there will be a demand for. I am going to try to attract them to the hidden wealth of our mountain ranges, where there is room enough for all. Immigration, which even the war has not stopped, will land upon our shores hundreds of thousands more per year from overcrowded Europe. I intend to point them to the gold and silver fields that await them in the West. Tell the miners of the West for me that I shall promote their interests to the utmost of my ability, because their prosperity is the prosperity of the nation, and we shall prove in a very few years that we are indeed the treasury of the world.

This was the strong and patriotic language used by this eminent statesman and patriot. As he stood at the close of his illustrious and eventful life, at the termination of one of the greatest civil wars of ancient or modern history, looking upon the devastation it had wrought and the enormous debt of nearly \$3,000,000,000, a charge upon the exhausted resources of his country, the energy, patriotism, and industry of his fellow-citizens, he turned his gaze toward the setting sun, toward the rich deposits of gold and silver ores with which an all-wise and beneficent Creator had blessed these mountain ranges, and with hope and trust pointed to these rich resources of his country, containing an inexhaustible supply of the precious metals, which, under the Constitution, could be coined and converted into primary legal-tender money with which this great burden could be paid and liquidated. But alas, this fond dream of the martyred President must come to naught at the plotting of the money changers in the very temple made sacred by the blood of his martyrdom.

Again, I quote from an eminent Republican authority, the Hon. Jerry Rusk, the Republican Secretary of Agriculture under Mr. Harrison, who said, on page 8 of his report for 1890, referring to the silver legislation known as the Sherman Act:

The recent legislation looking to the restoration of the bimetallic standard of our currency and the consequent enhancement of the value of silver has unquestionably had much to do with the recent advance in the price of cereals. The same cause has advanced the price of wheat in Russia and India, and in the same degree reduced their power of competition. English gold was formerly exchanged for cheap silver, and wheat purchased with the cheaper metal was sold in Great Britain for gold. Much of this advantage is lost by the appreciation of silver in those countries.

Again, I quote from President Harrison's message to Congress on the 1st of December, 1890:

The general tariff act has only partially gone into operation, some of its important provisions being limited to take effect at dates yet in the future. The general provisions of the law have been in force less than sixty days. Its permanent effects upon trade and prices still largely stand in conjecture. It is curious to note that the advance in the prices of articles wholly unaffected by the tariff act was by many hastily ascribed to that act. Notice was not taken of the fact that the general tendency of the markets was upward, from influences wholly apart from the recent tariff legislation. The enlargement of our currency by the silver bill undoubtedly gave an upward tendency to trade and had a marked effect on prices, but this natural and desired effect of the silver legislation was by many erroneously attributed to the tariff act.

So you will observe that you have ex-President Harrison and his trusted and efficient Secretary of Agriculture against you in 1890; in fact, against themselves now.

But this is not all. President McKinley, then a member of this House, in 1890, on the 7th of June, in the course of his remarks, as recorded on page 5813, in volume 108, first session of Fifty-first Congress, made use of the following language:

Mr. Speaker, no man should hesitate between the two millions a month that we have now and the four and a half millions a month that we shall have under the proposed law. We get an increased volume of money with safety to the Government and the citizen. Pass this bill and what do we have? An increase of \$80,000,000 annually of circulation to be put out among the people and into the avenues of business. Vote against this bill and, in my judgment, you vote that there shall be no legislation upon the silver question at this session of Congress. That is what I fear it means.

We know we can not have free coinage now except in the manner as provided in the bill. You know you could not have it when you were in the majority in this House. You know you can not get it now. You do not mean to get it. Therefore I say that to defeat this bill means to defeat all silver legislation and to leave us with two millions a month only, when by passing this bill we would have four and a half millions a month of Treasury notes as good as gold. For one, Mr. Speaker, I will not vote against this bill, and thus deprive my people and my country, and the laborers and the producers and the industries of my country, of thirty millions annually of additional circulating medium.

Again, Mr. McKinley had another opportunity of expressing himself upon the subject of the free coinage of silver, or rather the increase of the currency by this means; and as he was about

that time usually credited with speaking his mind pretty freely, he took the occasion at his now somewhat famous Lincoln banquet speech at Toledo, Ohio, in answer to a speech made upon a similar occasion by President Cleveland at the "Old Roman" banquet at Columbus, same State, to say:

During all his (Mr. Cleveland's) years at the head of the Government he was dishonoring one of our precious metals, one of our own great products. He endeavored even before his inauguration to office to stop the coinage of silver dollars, and afterwards, and to the close of his Administration, persistently used his power to that end. He was determined to contract the circulating medium and demonetize one of the coins of commerce, limit the volume of money among the people, make money scarce, and therefore dear. He would have increased the value of money and diminished the value of everything else—money the master, everything else its servant. He was not thinking of "the poor" then. He had left "their side." He was not "standing forth in their defense." Cheap coats, cheap labor, and dear money. The sponsor and promoter of these professing to stand guard over the welfare of the poor and lowly! Was there ever more glaring inconsistency or reckless assumption? He believes that poverty is a blessing to be promoted and encouraged, and that a shrinkage in the value of everything but money is a national benediction.

This is the arraignment by the present incumbent of the Presidential chair of his predecessor in that high office. How does the matter stand to-day? Could not the ex-President, with equal if not more propriety, to-day reverse the game and employ with even greater force this same language against his distinguished successor and his party? Certainly no one will dispute that Major McKinley of 1890 is against President McKinley of 1897 upon the subject of the coinage of silver money. If Grover Cleveland had abandoned the poor when he antagonized silver, what position does the Republican party occupy in this Hall at this time?

There is another Republican authority of national distinction, perhaps the most eminent and influential of his party—certainly the most conspicuous upon all questions of public finance in this country at this time—the Hon. John Sherman, chief Cabinet officer of the present Administration. In his book on Finance and Taxation, on page 530, he says:

Take one-half of the solid money of the world out of existence; take the sole standard of more than two-thirds of the human race, reduce it to a base metal, and the effect upon the commerce of the world would be incalculable. These two metals—gold and silver—have traveled side by side from the beginning of time; the records of human history do not go back to a time when they did not move together; they have varied in value, sometimes one and sometimes the other being higher, but they have gone on, gold the money of the rich, silver the money of the poor, the one to measure acquired wealth, the other to measure the daily necessities of life; and, sir, no act of Parliament, although it may disturb for a moment the relations of these two metals to each other—nothing but an act of God can destroy the use of both of them by mankind.

How does this sound, as coming from this great financier when he is writing history, compared with his and his party's utterances when engaged in the attempt to perpetuate the rule of the gold-standard policy, of which they were the authors? Here is a clear and distinct exposition of the position of the Republican party upon this question; at least so far as their position can be ascertained through the authentic declaration of its leaders and recognized spokesman. And yet it is now assumed by your party that the position of the Democratic party and those who are affiliating with it threaten the integrity of our national and individual credit. May we not, in the language of our now honored President, exclaim: "Was there ever more glaring inconsistency or reckless assumption?"

Sir, during the last campaign it was the frequent habit of some of the lesser lights of your party in my section of the country, where party strife and feeling usually reach fever heat, either through ignorance or, what is still worse, willful perversion of the facts of history, to make the public statement, with an assumed air of lofty contempt for anyone who would dare to question its accuracy, that there never existed in this country such a thing as the free and unlimited coinage of silver money at the ratio of 16 to 1; that the silver dollar was never recognized as the unit of value. In answer to such arguments, and for the benefit of such as may not have had the opportunity of making an investigation of this question, let me quote from the Report of the Director of the United States Mint for 1896 upon this subject, at page 453. He says:

In 1792 the Congress of the Confederation chose as the monetary unit of the United States the dollar of 375.64 grains of pure silver. This unit had its origin in the Spanish plaster or milled dollar, which constituted the basis of the metallic circulation of the English colonies in America. It was never coined, there being at that time no mint in the United States. The act of April 2, 1792, established the first monetary system of the United States. The bases of the system were: The gold dollar, containing 24.75 grains of pure gold and stamped in pieces of \$10, \$5, and \$2.50, denominated, respectively, eagles, half eagles, and quarter eagles; the silver dollar, containing 371.25 grains of pure silver. A mint was established. The coinage was unlimited, and there was no mint charge. The ratio of gold to silver in coinage was 1 to 15. Both gold and silver were legal tender. The standard was double.

Thus it was that the unit of value was fixed by the very first act of Congress upon the subject, and thus it continued, with slight changes in the weight and fineness of the gold coinage that finally resulted in fixing the ratio between the two at 15.988 to 1, or approximately at 16 to 1, as we usually denominate it, until the act of February 12, 1873, which "provided that the unit of value of the United States should be the gold dollar of the standard weight

of 25.8 grains." (See page 454, Report of Mint Director for 1896.) This is the change that resulted in the establishment in the United States of the gold-standard policy in lieu of the double standard, which up to that time had prevailed from the foundation of the Government, and which marked the period of the beginning of that decline in the values of all property of which the people at this and at all times since have been so bitterly complaining.

It is this policy that we contend shall be changed and the double standard restored as it existed prior to this act of February 12, 1873. It will thus be seen that we are asking for no new and untried experiment, no new system of finance, but merely a return to that which for so long had furnished our people a monetary system so satisfactory, equitable, and just that no party ever dared to suggest any change or intimate to the country that there existed any design or purpose to alter the same prior to the time it was done. All that is demanded now is a return to that constitutional system established by Hamilton and Jefferson, by the wise and patriotic statesmanship of the fathers.

Can we safely return to this system? This is the vital question. Are we able to reestablish this system upon the double standard of gold and silver at the old and long-recognized ratio between the two coins, and maintain the parity of the same? According to the best reasoning that has yet been advanced upon this question, I think we may safely rely upon our ability to do so without hazard to any interest or danger to credit or business. It is and has been the established rule among all countries of which we have any knowledge that, as concerns the regulation and fixing of the value and ratios of metals used for the coinage of money since the earliest history, that the country producing the largest amount of the ore from which such money is coined takes the lead and has exercised the right to fix the relative values of the coins. There is no reason why this should not be true now.

The United States is the largest producer of silver of any other known country. The estimated total production of the silver of the world from 1880 to 1895, inclusive, estimated at its present coinage value, is \$3,675,721,200. The estimated total production of silver in the United States for the same period is \$1,367,401,200, or an average in the annual yield of the world's product of \$102,103,366, and in the United States of \$37,983,361. (See Report of the Director of the United States Mint for year 1896, page 62.) It will thus be seen that the United States possesses nearly one-third of the total resources of this precious metal produced in the entire world. This constitutes an almost inexhaustible source of wealth to our country, and but for the restrictive and prohibitory laws upon our statute books could be utilized to the immense advantage of all branches of business, enterprise, and development, as well as making us, as a nation, invincible in the commerce of the world.

To depend upon the cooperation of the strong commercial nations of Europe to aid us in restoring bimetalism, therefore, would seem so unnatural and stupid that it requires no very fine sense of humor to discover the absurd folly of such expectation. These countries are opposed in their financial as well as public policy to any such agreement as is contended for by the Republican party; and as long as they can induce us to delay the only remedy we have, by tempting us to further efforts to secure this kind of agreement, the more time they get to strengthen the barriers and make more difficult our return to this policy by independent action.

Year by year they are busily at work scheming for a further extension of their policy of contraction and appreciation of money and still further reduction in the prices of all other forms of property. Year by year they are forcing other smaller and less powerful countries to adopt their gold standard out of pure selfish and mercenary motives. Shall we persist in pursuing such a blind, stupid, and suicidal policy until all avenues of escape from the clutches of the money power shall be forever closed?

I for one do not believe that the people are yet willing, when they come to see and understand the full effect of this policy in all its hideous and monstrous iniquity, to tamely submit. As was remarked a few days ago, while statistics and the official report of the Director of the Mint show that there is in circulation in this country the sum of a little the rise of \$24 per capita of money, yet it is a well-known fact among the people in the rural and farming districts that this is not the case with them; that, in fact, they do not receive their pro rata share of the money shown to be available for circulation, and it is exceedingly doubtful if they have a per capita circulation in those sections exceeding from \$9 to \$12. The volume of money is congested under this system in the money centers. We insist upon such a change as will force circulation among the people.

Mr. Chairman, in conclusion, the people whom I represent on the floor of this House are a part of the web and woof of our American citizenship. They were educated in the schools erected and built under the influence of the same free institutions that constitute the pride, the grandeur, and glory of all the States of this Union; they are bold, ardent, and enterprising, and possess a broad and

sympathetic spirit with all that will add to the prosperity, advancement, and welfare of the whole people, to the strength and grandeur of the Republic. But a majority of them are firmly convinced and believe, Mr. Chairman, that the financial policy which you have carried out, and which is yet indorsed by the majority on this floor, has brought ruin, want, and distress to the homes and firesides of many of our people. They believe it has covered our land with swarms of idle, discontented, and poverty-stricken men, and that during all this time you have looked on their distress and trouble with unaffected complacency, if not with criminal indifference. They ask and appeal to you at the earliest—at the very first—opportunity to make a partial reparation for the great wrongs they have suffered. They ask to have restored back to them the opportunities they believe will come when the free and unlimited coinage of silver and gold shall again be secured to the country under the guaranties of the Constitution as our fathers made it. They will hail with joy and cheerful greeting a return to moderate and just taxation and the money of the Constitution.

#### The Tariff.

#### SPEECH OF

HON. JEHU BAKER,  
OF ILLINOIS.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. BAKER of Illinois said:

Mr. CHAIRMAN: I purpose stating in as few words as possible some of the views which I hold in regard to a just civil policy for the United States. It is plain that such a policy can be no other than that which is best for the preservation of our republican institutions. If these institutions are to be preserved in fact and in vital force, as well as in form, it is absolutely necessary that the great mass of our people should form a clear idea of, and be ardently attached to, the fundamental principle upon which they rest. That principle as stated by Jefferson and as stated by Lincoln is the same.

Jefferson's conception was that all the powers of our Government should be employed with equal regard to all classes, all sections, all individuals, and with special favors to none. This constitutes the essence of all that is rightly meant by "Jeffersonian Democracy." Lincoln's conception of the same principle is found in the immortal words that ours should be "a government of the people, for the people, and by the people;" and this constitutes the essence of all that is rightfully meant by "Lincolanian Republicanism."

Over against this great basic principle of our Republic, as thus conceived by Jefferson and Lincoln, there is another principle which seeks to draw the policies of our Government away from the equal conservation of the rights of all, and to employ its powers to the undue advantage of some. So has it been with all republics heretofore, and so the case is with us to-day.

We are in the midst of a conflict between two social forces, the one consecrated to the preservation of that tap-root principle of equal justice upon which our Republic was founded, the other devoted to the evil work of unduly promoting the interests of classes and special interests, and of unduly ignoring and disregarding the just interests of the great mass of the people.

The fate of our Republic, as such, depends upon the issue of this conflict. If the basic principle of equal rights upon which it was founded shall be preserved, it will indeed be the glory of the earth, not only in point of mere material greatness, but as an expression of the highest development of humanity that the world has seen.

If this broad basic principle of general humanity shall be overshadowed by the narrower principle of class ascendancy, then our Republic, thus degraded from the vital principle of its own life, will run a low career and perform a comparatively ignominious role on the plane of the world's history. One instantly sees and realizes the tremendous import of the issue thus pending.

Let us test the general drift of our actual public policies by the plain and indisputable criterion which I have thus laid down. Let us see whether these policies show the ascendancy of the broad foundation principle of our Government or the ascendancy of the narrower principle of class domination. Let us see whether we find in them either the Democracy of Jefferson or the Republicanism of Lincoln. In glancing at some of the elements of our policies which will bring an answer to this inquiry into clear light the first and most prominent place must be assigned to the money question.

The money scheme which is now imposed upon our country



rests all values upon the gold standard—upon one only of the precious metals.

The total volume of commodities increases at a much greater ratio than the total volume of gold. The demonstrable effect of this is that a given amount of gold continually purchases an increasing amount of commodities, a process which is continually squeezing the money value out of property and labor and squeezing this lost value into the gold-standard money.

The dollar that is loaned comes back not only with its interest, but with an increase in its purchasing power. The dollar that is invested comes back not only with its profits, but also with an increase in its purchasing power. This is not an honest dollar, but clearly a dishonest one. An honest dollar is content with its interest, with its profits, and with retaining a level instead of an increasing purchasing power over all other property.

The average increase of the purchasing power of gold has not been less than 50 to 100 per cent in the course of about twenty-four years, which means that idle gold has been drawing to itself an increase in value of not less than 2 per cent per annum, whilst not only farm products but farms themselves have greatly shrunk in value, with the alarming accompanying fact that farm tenantry is increasing and ownership by the actual tiller of the soil diminishing.

This gold-standard scheme of finance menaces the world with a new form of tyranny extending from the eastern limits of Europe to California, and from Russia to Australia. It has originated with that money power which dominates the Parliament of Britain, the Reichstag of Germany, the imperial councils of Russia, and which has unhappily gained a temporary control over our own Republic.

The bottom meaning of this financial scheme thus initiated by the holders of vast masses of capital is to so order the relation of money to all other property as to continually enhance the property value of money and to depreciate the money value of property, thus giving to aggregated capital an ever-increasing cinch on the wealth of the world. The wickedness of this scheme is so manifest that it need but to be stated to be condemned. It discloses an abysmal departure from that principle of equality on which, as we have seen, our Republic was founded.

It is not only partial, but flagrantly partial, in favor of the strong holders of capital, and against the rights of the masses of the people. It gives, and purposely gives, to the owners of money an unjust advantage over the producers of wealth.

The atrocity of this scheme becomes strikingly apparent when we consider its relation to the vast debt of all sorts owed in the United States. This debt—national, State, corporation, county, municipal, and individual—is stated by competent authority to be as high as \$34,000,000,000. As we have seen, the gold unit has been increasing at not less than 2 per cent per annum in its purchasing power. To be within the safest possible limits, let us suppose it increases only 1 per cent per annum.

Now, 1 per cent of \$34,000,000,000 is \$340,000,000, a sum due solely to the increase of the purchasing value of the gold unit over other property. It is easy to see that no scheme could be more cunningly and wrongfully devised for the undue piling up of the wealth of a nation in a few great centers.

To correct this enormous inequality, this cruel injustice, this outrageous departure from the fundamental principle of our Republic, the people demand a stronger basis of primary money, the restoration of silver to its full and free fellowship with gold at the ratio which it held and honestly maintained down to the moment when it was arbitrarily degraded in order to foist the narrow and unjust single gold standard in the interest of a strong money-holding class.

I will next state what I conceive to be the substance of the paper-currency question. I think one of two general schemes will ultimately be carried out. Our paper money will either be simplified as a currency very similar to our greenbacks and issued directly by the Government, or else simplified as a bank currency similar to our United States bank paper and issued indirectly through United States banks.

In the one case the institution of our currency will be held in the power of the people. In the other case it will be farmed out to bank corporations. In order to simplify our currency in the latter manner it will be necessary to largely increase our bonded debt, in order to take in the existing currency, and after this is done the number of banks will largely increase.

Instead of 4,000 banks we shall have six, eight, ten, fifteen thousand, and ultimately more. These numerous bank corporations will act as one as distinctly as the different links in a long iron chain. They will exert an enormous power over the business interests of the country, over elections, and over Congress. They will constitute the strong fortress and the organized center of the money power.

Now, which of these two schemes appears to be most in harmony with the genius of our republican institutions and with that principle of equality on which these institutions are founded? Is

it wiser for the people to turn over to corporations that part of the money power which is connected with the institution of the nation's currency or to hold this power in their own hands? It appears to me that this question can admit of but one answer, and that the wise course of policy on this great point is for the people to issue their paper currency directly through their Government, just as they issue their gold and silver money, subject to proper regulation respecting redemption.

The income-tax question is another element of great national importance. Nothing can be more essential than just taxation—a just distribution of the burdens of our Government—and no tax can be more equitable or more easily borne than a just, graded income tax. We had such a tax for a number of years. It was held to be constitutional by all branches of our Government, and we raised from it a large sum of money without oppression and without imposing undue hardship upon the citizen.

No tax could be more in harmony with that fundamental principle of our Republic which I have pointed out than a tax that calls upon the citizen to pay in proportion to his ability to pay. Had the recent income-tax law been permitted to go into effect there would have been no question about insufficient income to pay the Government expenses; and it seems to me that the acrid and abnormal humor of the time, rather than the ascendancy of supreme judicial reason, has led to the narrow defeat of that law.

The decision, of course, is binding in the case. It is final in no other sense; and I have no doubt whatever that it will succumb, as so many other decisions have succumbed, to a wiser and deeper judicial interpretation of the constitutional question upon which it was passed. That principle of equal justice on which our Republic rests loudly demands that great fortunes shall bear an even hand in support of the Government which protects them.

I will next briefly state what I regard as the fundamental principle which should govern our tariff legislation, and also what I regard as the grave abuse which has entered into that legislation. The Democratic platform of 1888 and the Republican platform of 1892 substantially agree in stating the correct principle. They both declare in favor of levying duties equal to the difference between the wages of American and foreign labor.

Such is the simple principle upon which both parties have agreed, and, if fairly carried out, it would lead to a scale of duties which, under the existing condition of things, would be as just to all sections and classes as it would be possible to devise. But the prevailing vice of such legislation has been and is that this principle has not been properly adhered to in practice.

The manufacturing class has exerted undue influence in the framing of our tariff laws and induced the establishment of duties considerably higher than those which would result from the difference between the wages of home and foreign labor. This deviation from the true principle constitutes a chronic and mischievous abuse, which is injurious to the great mass of the people and beneficial to the manufacturing class only. I find that the bill reported by the Ways and Means Committee is another and conspicuous instance of this same abuse.

In conclusion, I will again allude to that vital principle of equal justice which lies at the foundation of our Republic, and fix attention upon the fact that in all the great elements of public policy to which I have referred that principle has been and is being violated. Beyond all doubt we have reached a period in our national life which demands a tremendous reaction in the interest of the people and in behalf of the simple basic principle of our democratic institutions.

#### The Tariff.

#### SPEECH

OF

HON. GEORGE N. SOUTHWICK,  
OF NEW YORK.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. SOUTHWICK said:

Mr. CHAIRMAN: The duty of the Republican majority in the House of Representatives at this juncture is clear. It is to pass a tariff bill which will restore to the Treasury of the United States a surplus revenue and to the labor and industry of the country a thorough system of protection.

The American people have rendered their decision and an overwhelming majority of Republicans has been sent to the popular branch of the National Congress, instructed to carry out to its logical conclusion and in its letter and spirit the paramount issue

of the campaign of 1896 as laid down in the opening demands of the St. Louis platform.

A President whose very name is the synonym and embodiment of the American principle of protection to home labor and industry has assumed office and called the Congress together for the especial purpose of enacting a measure which shall at once provide both the revenue and the protection which are needed. The demand of the hour is for action. The vast business interests of the country—agricultural, industrial, commercial, and financial—harassed and weakened by the unfortunate developments of the past four years, are looking to us for prompt and effective relief. The wage workers of the nation are equally desirous for a restoration of that opportunity for employment at fair wages which existed under the last Republican tariff until the Democratic triumph of 1892 caused widespread and wholesale curtailment of industry and unemployment of labor.

#### MORE REVENUE MUST BE RAISED.

That added revenue must be supplied to the United States Treasury at once is admitted on all sides by men of all varieties of political persuasion. For the past four years and during nearly every month of that period the expenditures of the Government have been in excess of its receipts, and no less than four large issues of Government bonds have been necessary to save the Treasury of the nation from embarrassment and its credit from impairment. A strange spectacle that—the most powerful nation on the face of the earth, and the only one of the great nations which has seriously endeavored to pay its debts, being compelled to issue bonds and burden a future as well as the present generation for the purpose of raising money with which to meet the current expenses of the Government.

From the close of the period of heavy expenditures growing immediately out of the war of the rebellion, in 1866, under a system of tariff protection, every year witnessed an excess of receipts over expenditures down to the inauguration of Grover Cleveland in March, 1893; and a bonded debt of \$2,773,236,173 in the former year was reduced to less than \$1,550,000,000 in the latter year. During this period of twenty-six years the Republican policy of protection to American industry prevailed unimpaired; and, although repeated changes were made in tariff duties and internal-revenue taxes to meet the changing requirements of the times, at no time did the receipts of the Government fall below its expenditures.

Even during the last fiscal year of the last Republican Administration, ending with June 30, 1893, when the success of the Democratic free-trade movement and the inauguration of the Cleveland Administration had already spread panic, ruin, and distress over the land, a slight surplus remained as the result of twelve months' operations of the Government. To the present generation, therefore, the four Government bond issues during the four years of Democratic ascendancy at Washington which followed the triumph of November, 1892, were a fiscal anomaly. Never before had it witnessed the issue of Government obligations in a time of profound peace; never before even a Treasury deficit at the end of a fiscal year.

#### THE CLEVELAND BOND ISSUES.

Between March 4, 1893, and March 4, 1897, the Cleveland Administration issued bonds to the par value of \$362,315,400, on the sale of which the Government realized \$293,481,894. There were two issues each of \$50,000,000 of 5 per cent ten-year bonds and two issues of 4 per cent thirty-year bonds, one of \$62,315,400 and one of \$100,000,000. When 5 per cent shall have been paid on \$100,000,000 for ten years, and 4 per cent shall have been paid on \$162,315,400 for thirty years, it will be realized that the elevation of the Cleveland Democracy to power in 1892 cost the country, in the principal and interest of additional public debt, the enormous sum of \$507,063,890.

The Cleveland Administration during its four years of bond issues restored the public debt of the United States to the figures of 1886. It offset the steady reduction of the debt during the preceding seven years. On July 1, 1886, the principal of the public debt was \$1,783,438,697. On November 1 of the four years of bond issues the principal of the public debt made this exhibit:

November 1, 1893.....	\$1,549,556,293	November 1, 1895.....	\$1,717,461,779
November 1, 1894.....	1,026,154,037	November 1, 1896.....	1,785,412,640

Note the steady increase in the principal of the public debt as bonds were issued to raise money with which to pay current expenses and meet the constant deficit in the revenue!

#### A HIGHER ANNUAL INTEREST CHARGE.

Note also the steady increase in the most obnoxious of all our regular expenditures—interest on public debt—during the four years of bond issues! The total payments for interest during the fiscal year ending with June 30, 1892, were \$33,378,116. The four fiscal years following make this comparison:

June 30, 1892.....	\$37,264,286	June 30, 1895.....	\$39,978,680
June 30, 1894.....	27,841,406	June 30, 1896.....	35,365,029

Compared with the last full year of Republican administration, it will be seen that the Cleveland bond issues increased the annual charge for the 1896 year over the 1892 year by the enormous sum of \$12,006,913, a sum which amounts to nearly 24 per cent of the entire annual expenses of the nation for all purposes.

#### SURPLUSES FOR OVER TWENTY-FIVE YEARS.

Permit me to call attention to the extraordinary showing made under the various revenue laws enacted by the Republican party from the close of the heavy war expenditures in 1866 down to the time when Mr. Cleveland and the Democracy were voted into power, pledged to overturn the protective system which had prevailed since the day when the signature of Abraham Lincoln gave the binding effect of law to the Morrill tariff bill of 1861. Every fiscal year's close, as already stated, netted the Treasury a surplus of revenues over expenditures. The surplus fluctuated from a maximum of \$145,543,811 in the year ending with June, 1882, to a minimum of \$2,341,674 for the year ending with June, 1893—the last fiscal year of a surplus. To my mind no greater testimonial to the capacity of the Republican party to manage the fiscal affairs of this great Government of ours wisely and well could be adduced or even desired than the record of the years intervening between 1866 and 1893.

Immediately on the close of the great war for the preservation of the Union, a policy of debt-paying was inaugurated by the Republicans, which was maintained to the close of the party's long lease of power, and which was a source of patriotic pride to every American regardless of party affiliations. General business prosperity, high wages, and extraordinary ability to command the comforts and even luxuries of life under the protective system furnished abundant sources of revenue from which to draw. And yet on three different occasions—in 1868 to 1870, when tea and coffee were placed upon the free list of the tariff; in 1883, when the tariff was revised as a whole; and again in 1890, when the tariff bill which bears the name of our honored President became a law—the surplus of revenue was so great that its reduction, both from customs duties and internal-revenue taxes, was deemed necessary. Nevertheless, in all these revisions of the revenue laws such practical knowledge of the workings of duties and taxes was evinced in the statutes framed by Republicans that the receipts of the Government continued to produce moderate surpluses and permit the maintenance of the debt-paying policy. Let me cite the surpluses in the years 1866 to 1893, inclusive:

1866.....	\$37,223,204	1880.....	\$65,863,653
1867.....	131,091,345	1881.....	100,069,405
1868.....	28,297,798	1882.....	145,543,811
1869.....	48,078,469	1883.....	132,879,444
1870.....	101,601,917	1884.....	104,383,626
1871.....	91,146,757	1885.....	63,463,771
1872.....	86,588,905	1886.....	66,956,599
1873.....	43,102,959	1887.....	103,471,098
1874.....	2,544,832	1888.....	111,361,274
1875.....	13,576,058	1889.....	87,761,981
1876.....	29,025,242	1890.....	85,040,272
1877.....	30,340,578	1891.....	26,836,542
1878.....	20,739,552	1892.....	9,914,454
1879.....	6,879,301	1893.....	2,341,674

#### DEMOCRATIC DEPRESSION AND DEFICITS.

Now, observe the reverse of this picture! In addition to the uncertainty, panic, disaster, depression, and distress of 1893 which followed the triumph of the Democracy under Grover Cleveland's lead, the country was cursed in the following year by the enactment of a stupid and blundering tariff bill—the joint product of the Wilsons and Gormans of the National Congress—which from the date of its enactment to the date of its repeal will be found to have yielded a deficit every year, and, with a few exceptions, every month of its existence.

And I know of no more startling evidence of the incapacity of the Democratic party to administer the affairs of this vast and complex Government of the United States wisely and well than the wreck and ruin, the deficits and the bond issues, which marked the period beginning with March 4, 1893, and continuing for four years. Where, between 1866 and 1893, every Republican year produced an excess of national receipts over expenditures, between 1894 and 1897, every Democratic year produced a deficit. Here is the dismal record of deficits for the four fiscal years ending with June:

1894.....	\$69,863,290
1895.....	43,805,223
1896.....	25,293,246
1897 (estimated).....	65,000,000

Total deficiency..... 203,811,729

And right here let us recall the persistent claim of the Cleveland Administration that the bond issues were made to secure gold with which to maintain the gold standard and redeem legal-tender notes on presentation, rather than to meet the current expenses of Government. Secretary of the Treasury Carlisle applied the term "endless chain" to the operation by which legal-tender notes were presented and gold obtained. The constant



deficits explain clearly why the chain kept moving, and also suggest why the chain did not move during Republican years when surpluses, rather than deficits, were provided. The legal-tender notes redeemed in gold during the recent Cleveland-Carlisle régime were immediately paid out again for current expenses, and again presented for redemption in gold, and the process was repeated.

It was the deficit of revenue, however, which necessitated constant replenishment of the Treasury's finances, and the replenishment was in the form of gold secured by the sale of bonds. It was the deficit which reduced the Treasury resources, weakened the Government's credit, and induced holders of legal-tender notes to demand their redemption in gold. When the full record of the four fiscal years of deficits shall be made up, it will be found that the \$208,811,720 of estimated Democratic deficit was made good by the transfer to the Treasury of \$293,481,894 of gold secured by the sale of bonds to the par value of \$262,315,400.

From January 1, 1870, when specie payments were resumed under the Hayes-Sherman administration of the Treasury, down to the year 1893, the "endless chain" was unknown in American finance. That strange contrivance was developed by the impaired condition of our Treasury resources and national credit under a deficit of revenue, which strained our entire financial system at every point.

#### A BILL "TO PROVIDE REVENUE."

Under the pending tariff bill, reported from the Ways and Means Committee by Chairman DINGLEY, the Republicans in Congress propose "to provide revenue for the Government and to encourage the industries of the United States." We propose to restore a surplus of revenue and a sufficiency of protection.

On the assumption that the imports under the proposed tariff bill, if enacted into law, would be the same as the imports in the fiscal year which ended with June, 1896, the revenue which the several schedules of the new bill would yield, compared with the revenue obtained under the present tariff in the 1896 year, would be substantially as follows:

*Rough preliminary estimate of revenue from proposed bill.*

	Duties—		
	Collected in 1896.	Estimated.	Increase.
A. Chemicals, oils, and paints	\$5,513,545	\$8,196,226	\$2,682,681
B. Earthenware, and glassware	7,644,422	11,901,532	4,257,110
C. Metals, and manufactures of	13,332,092	17,343,676	4,010,984
D. Wood, and manufactures of	884,713	2,143,698	1,258,975
E. Sugar	29,910,016	51,645,893	21,735,877
F. Tobacco, and manufactures of	14,859,117	22,257,788	7,398,671
G. Agricultural products and provisions	7,850,890	14,169,988	6,319,128
H. Spirits, wines, and other beverages	6,835,648	8,732,827	1,797,179
I. Cotton manufactures	9,311,330	11,077,119	1,765,789
J. Flax, hemp, and jute, and manufactures of	12,018,083	19,834,845	7,816,762
K. Wool, and manufactures of:			
Wool	33,027,606	17,538,309	17,538,309
Manufactures of wool	12,504,008	50,274,704	27,240,935
L. Silk and silk goods	1,242,425	14,357,556	1,853,550
M. Pulp, paper, and books	10,920,164	1,900,531	88,466
N. Sundries		14,168,898	8,248,734
Unenumerated:			
Unmanufactured	37,879	37,879	
Articles transferred from free list to dutiable	124,256	124,256	
		4,000,000	4,000,000
Total revenue	155,625,917	260,105,710	113,479,793

This estimate of an increase of over \$113,000,000 in annual revenue, as compared with the amount yielded under the Wilson-Gorman Act now on the statute books, may not be fully realized under the adverse operation of several imaginable factors. But liberal allowance can be made for disappointment in the matter of revenue, and yet the members of the Ways and Means Committee, who have made a close and careful study of the problem for several months, are confident that enough money will be provided to meet the expenditures of the Government and permit the resumption of the debt-paying policy which characterized our fiscal affairs from 1866 to 1893. On their judgment I confidently rely.

#### GENERAL FEATURES OF THE BILL.

In a general way, the duties of the new bill may be said to be higher than those of the existing tariff act of 1894 and lower than those of the so-called McKinley Act of 1890. Nevertheless, the bill is quite as thoroughly protective in its character as was the act of 1890. Changed conditions, and especially a lower range of general prices, have rendered the higher duties of 1890 unnecessary for protective purposes.

Throughout the entire bill, except where it was not practicable to do so, specific duties have been substituted for ad valorem. This change has been made in the interest of honesty and fairness to importers, protection to American labor and industry, and revenue to the United States Treasury. The ad valorem duties of the existing tariff law are one of its most obnoxious features, as they place a premium on crime, in the form of undervaluation, and vir-

tually reduce duties below the percentages provided in the bill. No more comprehensive nor effective argument against ad valorem and in favor of specific duties was ever framed than that of Daniel Manning, the first Secretary of the Treasury under President Cleveland. That document will ever continue to be cited as long as tariffs and tariff discussions shall continue.

In examining the composition of the new bill it will be found that the metal and cotton schedules are substantially the same as those of the present tariff act of 1894. The agricultural, earthenware and glass, and the silk, liquor, and wool and woolen schedules are substantially the same as those of the 1890 act. The other schedules represent duties above 1894 figures and under those of 1890.

#### AN OBJECT LESSON IN WOOL AND WOOLENS.

Time does not permit, nor does the occasion require, either a discussion of the elementary principles of the free-trade and protective systems. Nor do I care to analyze the various provisions of the proposed act and compare their expected results with what has actually occurred under Wilson-Gorman duties. But as wool and woollens have been the "bloody angle" of tariff fighting, I can not refrain from calling attention to the contrast drawn by the Republican members of the Ways and Means Committee between the results of the McKinley wool and woolen duties of 1890 and the Wilson-Gorman woolen duties of 1894.

The importations of clothing wool in the year ending with June, 1893, under the tariff of 1890, was about 40,000,000 pounds, and of manufactures of wool about \$36,000,000—mainly goods worn by the well-to-do, who think it the proper thing to wear foreign-made cloth and who are willing to pay the duties imposed upon it. From these importations of wool and woollens in 1893 the Government derived a revenue of about \$44,500,000.

The importations of clothing wool in the fiscal year ending with June, 1896, exceeded 127,000,000 pounds—three times as much as in 1893—and of manufactures of wool more than twice as many pounds in 1896 as in 1893; and yet the revenue derived by the Government from this enormous increase in the imports of wool and woollens in the fiscal year 1896 was only \$23,000,000—a loss of over \$21,000,000 from that realized in 1893.

In other words, by placing wool on the free list and reducing the duties on manufactures of wool the Treasury lost \$21,000,000 of revenue, our farmers lost a market for the 80,000,000 pounds of wool which they raised in 1893 in excess of what they raised in 1896-97, as well as nearly 10 cents per pound in price, involving a loss to them of nearly \$30,000,000 per annum already on this one farm product, and our manufacturers and their workmen lost a market not only for the goods which increased foreign imports had supplanted, but also a market for goods which the farmers and masses of the people were able to purchase in 1893, but which they could not buy in 1896 because of a loss of employment and purchasing power.

Beyond this it has been demonstrated that by placing wool on the free list, to the injury of the farmer and manufacturer, we have not been thereby enabled to increase our exports of manufactures of wool (as it was claimed would be the case), and we have greatly increased the use of shoddy by diminishing the purchasing power of the masses and thus compelling them to seek the cheapest cloths.

On that central proposition of tariff discussion I rely confidently on the strength of the protective position.

#### WOOL AND WOOLENS IN ALBANY COUNTY.

The Twentieth Congressional district of the State of New York, which I have the honor to represent, contains three cities and ten country towns; producers and manufacturers; farmers who grow wool on the hills of the Helderbergs, and manufacturers in Albany and Cohoes who transform wool into woollen garments. Free trade in wool has well-nigh ruined the wool industry of Rensselaerville, Berne, and other towns where the flocks have been numerous. They have been largely slaughtered by reason of the low and unprofitable price which wool has brought by reason of the free-wool provision of the Wilson-Gorman Act of 1894.

Nor has free wool brought prosperity to the woollen manufacturers of Cohoes and Albany, who under the McKinley Act of 1890 were running their factories at full capacity, and who have experienced a shrinkage of orders during the past four years, until at times scarcely more than a quarter of their factory capacity was required. The wage workers in the woollen factories have felt the change quite as much as their employers, if not more so. Farmer, manufacturer, and wage worker are anxious for a return to McKinley rates on wool and woollens, which will once more stimulate the production of sheep and the growing of wool, will tenant silent and deserted factories, and will restore to willing workers the opportunity to earn a living at fair wages. Business men largely dependent on the trade of the farmer, manufacturer, and wage worker are no less anxious for the restoration of "McKinleyism" in Albany County. How many hundreds of thousands of dollars "Wilsonism" in wool and woollens has cost the people of Albany County it would be difficult to calculate, but the sum total would be appalling.

## PROTECTION AGAINST CANADIANS.

The restoration of the McKinley agricultural schedule is also a matter of especial concern to Albany County farmers. They object to the admission of the products of Canadian farmers, who are favored by cheap water and rail transportation, who live cheaply, who hire cheap farm labor and who do not pay taxes for schools and other expensive institutions in the State of New York, into the markets of that State in vast quantities. The restoration of the McKinley duty on hay especially will be highly acceptable. From Canada 79,678 tons of hay came into the United States, principally into New York, in 1892. In 1896 the importations increased to 303,641 tons. Excessive importations indicate insufficient protection.

## STAND FIRMLY FOR PROTECTION.

In conclusion, let me urge steadiness and confidence on the part of Republicans. We are framing a tariff law which, in my opinion, will stand unrepealed for the next thirty years, and when revised, will be revised by its friends. This generation of Americans has learned its lesson—a sad and costly lesson—but it has learned it well; and the haste which the party of free trade has made to discard its historic issue and take up another indicates that no political party in the immediate future will dare revive the dangerous and destructive principles of the Manchester school of political economy. Business men especially are clamoring for the passage—and that, too, speedily—of a tariff bill which will dispose of the tariff problem.

## THE ELECTIONS OF 1894 AND 1896.

A mighty surge of popular sentiment swept the northern country bare of free traders in 1894 and carried an unprecedented majority of Republicans into the popular branch of Congress in order that a stop might be put to the further enactment of free-trade measures of the Wilson, Gorman, "popgun," or any other variety. In 1896 the American people completed the work begun in 1894 by choosing a President and a Congress pledged to restore to the country a tariff law such as we prospered under before and hope to prosper under again. Let us do our plain duty, do it fearlessly, and appeal confidently and aggressively to the protective sentiment of the people in 1898.

## The Dingley Bill.

## SPEECH

OF

HON. M. N. JOHNSON,

OF NORTH DAKOTA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 24, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. JOHNSON of North Dakota said:

Mr. CHAIRMAN: In 1890, when we had reached a point in the development of our national greatness where it required \$500,000,000 to pay our ordinary running expenses for a year in time of peace, there was a great outcry against the "billion-dollar Congress." Substantially there was a billion dollars appropriated by that Congress—not quite, but so near it as to make the margin not worth disputing about—

Mr. SAYERS. Does the gentleman mean to say that there was not a billion dollars appropriated by the Fifty-first Congress?

Mr. JOHNSON of North Dakota. Well, that depends upon how you figure it.

Mr. SAYERS. I want the gentleman to answer that question.

Mr. JOHNSON of North Dakota. I say that the amount lacked about \$12,000,000 of a billion dollars; but, as I have already said, the margin was so small that it is not worth disputing about. In the next Congress, when the gentleman from Texas [Mr. SAYERS] was chairman of the Committee on Appropriations and the Democratic party was in power all round—

Mr. SAYERS. If the gentleman will allow me, the gentleman from Texas was not chairman of the Committee on Appropriations in that Congress. The gentleman from North Dakota makes about as great a mistake in that statement as he did in his former one.

Mr. JOHNSON of North Dakota. Well, I believe it was the gentleman from Indiana [Mr. HOLMAN] who was chairman of the Committee on Appropriations in the Fifty-second Congress, and the gentleman from Texas was second in rank on the committee. I took but a very humble part in the work of that Congress. It was in the Fifty-third Congress that the gentleman from Texas became chairman. I cheerfully bear witness here to-day to the

fidelity and the earnestness with which the gentleman from Indiana, ably supported by the gentleman from Texas and the whole Democratic party, made the very best efforts that it was possible for mortal man to make to keep down expenses, and they were kept down mainly by postponing the payment of just claims due from the Government; yet that Congress exceeded the billion-dollar mark by \$27,000,000.

In the next Congress succeeding, when the Democrats had the President and the House and the Senate, and the gentleman from Texas [Mr. SAYERS] was promoted to the head of the great Appropriations Committee, they again succeeded to the title which they had given to the Fifty-first Congress, of a "billion-dollar Congress." The Fifty-first appropriated \$988,417,183, the Fifty-second \$1,027,104,547, and the Fifty-third \$989,249,205. And, Mr. Chairman, in my judgment the time will never come, unless some great calamity should overtake us and destroy our enterprise, our capacity to do business, and our greatness as a nation, when there will ever again assemble in this Hall anything less than a billion-dollar Congress.

We may say, then, that in round numbers it costs \$500,000,000 to pay the ordinary expenses of this Government for a year. Eighty or ninety million dollars are paid out for the postal service. Those millions are collected for the most part at the stamp windows where postage stamps are sold, and there is no outcry against that expenditure or that burden of taxation. One hundred and forty million dollars are collected by the sale of internal-revenue stamps to be used mainly upon tobacco, beer, and whisky, and about the same amount of money, \$140,000,000, is annually paid out in pensions to the crippled soldiers of our various wars.

There is very little outcry either against the collection of those one hundred and forty millions, or the disbursement of them. These items account for some \$220,000,000 of our annual expenditures. Then there are miscellaneous items amounting to from \$20,000,000 to \$50,000,000 a year, such as the receipts from the sale of public lands, tax on banks, the improvement of our rivers and harbors, war claims, Indian treaties, and various items which it is not necessary now to enumerate. This leaves a sum ranging from \$200,000,000 to \$250,000,000 a year that must be collected at the custom-houses.

We are all agreed essentially as to the amount that it is necessary to collect. We are all practically agreed that it must be collected by means of a tariff. Now let us clear away everything about which there is no dispute. There is no dispute as to the \$90,000,000 expended for the postal service. There is no dispute, or practically none, as to the \$140,000,000 collected from the internal revenue and paid to the pensioners. There is practically no dispute as to the amount of money that we must raise by means of a tariff.

The only dispute comes as to what kind of a tariff we shall adopt. And on that the dispute is sharp and decisive. On this point the Democratic party teaches that a protective-tariff policy is a robbery and a fraud and advocates a tariff "for revenue only." We teach that a protective tariff is the very foundation of the happiness and the prosperity of the country and that a tariff "for revenue only" always brings disaster on our industries.

What is a tariff for revenue only? Stripped of all disguises, stripped of all modifications, it must be levied upon such things as we can not produce in the United States. That is a "tariff for revenue only."

Mr. LIVINGSTON. If a tariff is levied upon an article manufactured in this country in moderate amount so as not to prohibit importations, may not that be called a revenue duty?

Mr. JOHNSON of North Dakota. Just as soon as you place a tariff upon any article which is grown in our fields or found in our mines, or our fisheries, or our forests, or made in our factories, no matter whether that tariff is high or low, the duty becomes to that extent more or less protective of the industry engaged in the production of that article.

It is a very easy matter to arrange a tariff for revenue only so as to produce a given amount of revenue (if that were the only question), and then horizontally raise or depress it from time to time. Nothing could be easier than that; it would require no statesmanship. But it is an entirely different thing to go over the lists, examine every article, every method of production, the methods and cost of transportation, connected with everything that you can buy or sell, everything that you can carry in a ship—to sort over these different articles in this way, placing some articles on the free list and others on the dutiable list, with such scientific arrangement that while not prohibiting importations of the article, the duty imposed shall produce revenue sufficient to supply the wants of the Government and at the same time protect the home industries. That is the problem which was presented to us.

Mr. Cleveland, in 1887, without discriminating between a revenue tariff and a protective tariff, taught the broad doctrine that a tariff is necessarily a tax added to the price of the article and paid by the consumer. His disciples here to-day still teach, and



some of them believe, that doctrine. A purely Democratic tariff—a tariff for revenue only—I admit, is a tax which is added to the price of the article and paid by the consumer. And on that account we of the Republican party will have none of it. But a protective tariff, a tariff on articles the like of which we ourselves produce in great abundance, is not a tax paid by the consumer, but by the foreign producer. That is the essential difference between a protective tariff and a tariff "for revenue only."

Take, for instance, tea or coffee. If you impose \$100 a pound duty on tea or coffee, then, with the exception of what may be smuggled in, the article will necessarily be sold \$100 a pound higher on account of that duty, because we can not produce the article in this country. There is a tax laid for revenue only, which is added to the price of the article and paid by the consumer. On that account we of the Republican party have carefully gone through the schedules and eliminated from the dutiable list everything of that kind which you can think of that can be bought or sold or transported from one country to another, and have placed on the free list everything which we can not produce in this country except a few luxuries.

We do not claim that a tariff of 80 cents a bushel on barley, 25 cents a bushel on wheat and potatoes, \$4 a ton on hay, \$30 apiece on horses, \$2 a thousand on lumber, 75 cents a ton on coal, \$2 a ton on clay, or 10 cents a cubic foot on limestone is in any case added to the price of the article and paid by the consumer, for the very simple reason that all these things are produced in our own country in such great abundance that the home competition fixes the price. Foreign competitors who insist upon crowding such things into our markets must do two things: First, pay the tariff into the Federal Treasury; second, sell their wares, if at all, at the market price. The same principle applies to crockery, glassware, hardware, cutlery, machinery, and cotton cloth.

And how enormous is that free list after all. Under the McKinley law it ranged from 51 to 59 per cent of our entire imports.

Mr. McRAE. Are we to understand the gentleman as arguing that a protective tariff reduces the price of the article taxed?

Mr. JOHNSON of North Dakota. As a rule it has that effect when the home production has increased sufficiently to fully or nearly supply the demands of the home market.

Mr. McRAE. Is that the reason you put a tax of 25 cents a bushel on wheat?

Mr. JOHNSON of North Dakota. Now, I will tell you about that. When you come to agricultural products, when you come to anything that we produce in this country in great abundance, we of the Republican party have placed a tariff on it. Wheat comes under that class. We say to every man in every corner of the world who has anything to sell which the American people wish to buy and which we can not ourselves produce in great abundance, "Come, and welcome; bring your wares with you; sell them to our people as cheaply as you can and in as large quantities as you like."

That is our policy. Everything of that kind is placed on the free list. But when we come to that other great class of articles, like wheat and hay and barley and oats and glassware and crockery and furniture and pig iron and sheet iron and tin plates and carpets, and everything which our people produce in great abundance, then, while we do not place a prohibitive duty upon those things, we do say to those men who wish to crowd upon our market things which we do not need and do not want, like wheat, of which we ourselves have a great abundance, "If you foreigners wish to crowd such things upon our market, we will not absolutely prohibit their importation, but we do say that you must pay a peddler's license for the privilege of using our good market, the duty being measured as nearly as possible in amount in accordance with the difference between what you pay for labor abroad and what we pay here." Importations of articles of that character in small quantities will not noticeably affect the prices in our markets.

Mr. BARLOW. The gentleman says that under a Democratic tariff the consumer pays the tax. Let me ask who will pay the tax under your bill?

Mr. JOHNSON of North Dakota. I will tell you that. It is divided between the foreign competitor and the "dude," the unpatriotic, and the foolish who are willing to pay two or three prices for an article because it is imported. [Applause on the Republican side.]

In the case of wheat and hay and barley I do not pretend to say and you do not pretend to say that the tariff is added to the price of the article and paid by the consumer. Not at all. Our friends who buy quantities of barley along our northern border from Canada take it rather hard that we have placed a duty of 80 cents a bushel on barley. I wish I could say to the farmers of North Dakota that that meant an addition of 80 cents a bushel to every bushel of barley that they raise. But that is not the doctrine of the Republican party. That will not be the effect, either to buyer or seller. It may raise the price of barley slightly, but it will surely reserve our own market for our own farmers, except when the price of barley is high enough so that Canadian and Russian

farmers can afford to pay 80 cents a bushel as "tariff taxes" into the United States Treasury for the privilege of sharing in the benefits of our good markets.

The doctrine—our doctrine—is that if the foreigner wishes under that law to crowd me and the other Western farmers out of the barley market at Buffalo and Milwaukee he must pay into the Treasury of the United States for that privilege the sum of 30 cents a bushel on the barley that he imports to this country.

But the importation of barley does not regulate the price in the markets of Buffalo and Milwaukee. The same may be said also of potatoes. We have placed a duty of 25 cents a bushel on potatoes. We do not pretend that that tariff of 25 cents is added to the price of potatoes. Not at all. That is not the theory. But the question is, Who pays? We do say that the foreign competitor, in the Bermudas, in Ireland, Scotland, and elsewhere, who wishes to crowd, and does crowd, upon our markets, in spite of the tariff, millions of dollars' worth of potatoes every year, must pay the 25 cents a bushel into the Federal Treasury for the privilege of using the markets of the United States.

Mr. SIMPSON of Kansas. Will the gentleman allow me to ask him a question?

Mr. JOHNSON of North Dakota. Certainly.

Mr. SIMPSON of Kansas. Do you hold to the theory that in this case the foreigner pays the tax?

Mr. JOHNSON of North Dakota. That depends on circumstances. On certain articles, such as barley and potatoes, he certainly does. On others it is divided. On those which we produce in this country in such great abundance that the matter of home competition regulates the price, as for instance, in tin plate, pottery, barley, hay, wheat—in all such cases the foreigner necessarily pays the tax.

That is manifest for many reasons. Why, for instance, are they protesting now in England, France, Germany, Italy, and Japan against the passage of this bill if they do not think it would be injurious to them? Would not our tariff legislation be a matter of practical indifference with them if the consumer here paid the tax or duty? [Applause on the Republican side.] But they know, Mr. Chairman, that under a protective-tariff system instead of taxing the consumer in this country we simply impose a license which is subtracted from the profits of the foreign competitor. [Applause on the Republican side.] That is the distinction.

It is true with reference to the great majority of articles under the protective system. I do not say that the foreigner pays the whole duty in every instance. In some cases it is divided between him—the foreign manufacturer—and the man in this country who foolishly and unnecessarily chooses to pay more for an imported article than for an article of domestic manufacture of same quality. [Applause on the Republican side.] For instance, suppose that you go down the street here for the purpose of buying a pocketknife; if you adhere to the opinion that used to prevail in some parts of the country twenty-five years ago, that unless a knife was marked "Sheffield" on the blade it was worth little, you may be compelled to pay a big price—larger than you need to pay—because you adhere to the antiquated belief that Sheffield makes the best cutlery in the world.

That illustration applies to many other cases. You in Kansas, out in your part of the country, stick to the old forgotten antiquated notions; but in North Dakota I and the people I have the honor to represent have passed away from that period, and when I go to purchase a pocketknife I select one that has the stamp of some American firm upon it, made in my own country, and I get a better knife than the Sheffield knife, and I pay less than half the money for it. [Applause on the Republican side.] In that case, if my friend chooses to purchase the Sheffield knife and pay an additional price, he pays the tariff; if he gets it for the price of an American knife of the same quality, then the Sheffield maker must pay the tariff.

Mr. CURTIS of Kansas. Will the gentleman allow me?

Mr. JOHNSON of North Dakota. I have promised to yield for an inquiry to my friend from Kansas on the left [Mr. SIMPSON].

Mr. SIMPSON of Kansas. Then in this case you hold to the theory that the foreigner pays only one-half of the tax and the consumer in this country pays the other half?

Mr. JOHNSON of North Dakota. Oh, Mr. Chairman, we discriminate carefully upon that point. We take every article and give it consideration, and put the tariff where it will least affect our people.

We go to the pains of taking and studying the condition of every article mentioned in the tariff, and in some instances we know that the foreigner pays the entire tax, and in others it is paid unnecessarily, unpatriotically, and foolishly by the "gone-to-seed" Populists all over the United States [applause and laughter on the Republican side] who buy imported articles when they could get better articles cheaper at home.

Mr. SIMPSON of Kansas. But the point is that the foreigner pays one-half and the consumer the other half?

Mr. JOHNSON of North Dakota. Well, I am not quite so

mathematical as to make that precise declaration. I have made a statement which, I think, the gentleman will admit to be correct. I say as to the great products of the country—corn, cotton, cloth, crockery ware, coarse textiles, iron, steel, etc., and those things that we make in large quantities ourselves, if the foreigner wishes to compete with our people, he can only do it by paying the rate of duty which we choose to fix upon the admission of his manufactures into this country.

Mr. SIMPSON of Kansas. The gentleman differs from the great leader of his party, the present occupant of the White House, in that regard.

Mr. JOHNSON of North Dakota. Not at all. Mr. McKinley never taught that the foreigner in every instance paid all of this tax.

Mr. SIMPSON of Kansas. Now, if the gentleman will permit me—

Mr. JOHNSON of North Dakota. Well, Mr. Chairman, I think I would rather proceed without interruption.

Mr. SIMPSON of Kansas. I only want a moment.

Mr. JOHNSON of North Dakota. How much time does the gentleman want?

Mr. SIMPSON of Kansas. Just a quarter of a minute.

Mr. JOHNSON of North Dakota. All right. I have served with my friend for many years, and I am glad to be able to oblige him in any way.

Mr. SIMPSON of Kansas. Mr. McKinley, the present occupant of the White House, said in the national Republican convention of 1892 that the Democratic party believes in direct taxation—that is, in taxing ourselves—but “we, the Republican party, do not believe in that principle so long as we can find anybody else to tax. We propose to raise our money and pay all public expenses by taxing the productions of other nations, rather than those of our own people.”

Mr. HENDERSON. That is the best thing Jerry ever said. [Laughter.]

Mr. SIMPSON of Kansas. I want to put the gentleman in accord with his party.

Mr. JOHNSON of North Dakota. Oh, I was in accord with my party before you ever came to these Halls. I never differed with my party. [Laughter.]

Mr. SIMPSON of Kansas. I want to keep you with your party.

Mr. JOHNSON of North Dakota. The quotation which the gentleman from Kansas read was one of the best things that Mr. McKinley ever said. As far as it went it was all right, but he did not have an hour's time in which to make that speech. He said, as brightly and clearly as you could drop fresh dollars from the mint, a thing that is true as far as it went, essentially, that a protective tariff is paid by the foreign competitor for the use of our markets.

Take the case of that poor young married couple, for instance, that were started out for exhibition all over the United States by the free-trade and free-coinage leader of the gentleman's party. The gentleman from Kansas [Mr. SIMPSON], in common with others who believed as he did, taught that they were taxed and taxed and robbed at every turn, especially in the matter of building a poor shanty out on the Nebraska prairies. Now, let me tell you what they can do under the protective system. They can build a house, a good comfortable dwelling, out of lumber, stone, brick, plaster, glass, and iron, found entirely in the forests and in the quarries and in the mines of their own country.

The tax gatherer can never come between them and the sandpit or the limekiln, because none of these things which they need to build their house are brought across the border. They can furnish that house with American-made carpets and furniture and musical instruments, utterly regardless of the tax gatherer. They can set their table with American-made crockery and glassware and fine linen tablecloths, and load that table with a thousand varieties of food, with fish, game, domestic meats, vegetables, and breadstuffs, made from every kind of grain that grows under the shining sun. They can put on that table the lemons and oranges of Florida and California, the rice of Louisiana and South Carolina, the peaches of Delaware, the apples of Michigan, and the wheat bread of North Dakota.

There is absolute free trade, under our theory, among the forty-eight States and Territories. I can clothe myself and my family very comfortably with cotton, flax, hemp, and wool, all produced in the United States of America, without the intervention of the taxgatherer. Unless we voluntarily elect to pay higher prices for foreign goods simply because they are “imported,” we can get these American-made articles and escape the so-called “tariff tax.”

Mr. OTJEN. And the articles will be just as good.

Mr. JOHNSON of North Dakota. Just as good, and better in many instances, I dare say. And let me tell you, my friends, that there is a moral principle and a duty of good citizenship involved right here. If you have only a dollar or only one hundred dollars to spend, you are not your own master. We are in one sense each our brother's keeper. We are the servants of God and the loyal

citizens of our own country. When you go to spend that dollar, or that one hundred dollars, you hold in your hand wages—bread. That bread you can give to hungry mouths in America, or you can send it across the seas. Every individual of you has that responsibility. We can not feed and employ all the world.

We can feed and furnish an abundance of labor to every citizen who lives under the protective folds of our own flag, if we will only be so plainly and simply patriotic as to buy only of our own citizens in preference to foreigners in those cases where we can get just as good articles for less money at home. That is all we have to do to restore employment and prosperity. [Applause on the Republican side.] You may say that your tastes and habits require you to get some things indispensable to your health and comfort which we can not produce in this country. I agree with you. Our civilization has brought us to that point. We require tea, coffee, spices, tropical fruits, and other articles not grown or made in our climate. A tariff on such things would be a “tax” added to the price of the article and paid by the consumer, a “tariff for revenue only,” always an engine of oppression and ruin. In preparing this bill we have placed every one of those articles upon the free list, except a few luxuries that are unnecessary for comfort and happiness. That is the doctrine of the Republican party.

I remember in the Fifty-second Congress, when Mr. Bryan was talking on one of Mr. Springer's popgun bills, the free-wool bill, he said, “I am in favor of free wool, in order that the great majority of the American people, who do not keep sheep, can get their clothing cheaper,” and the whole Democratic and Populist parties were with him in that position. The gentleman from Kansas [Mr. SIMPSON] supported that bill. Mr. Cleveland taught the doctrine in 1887 that the tariff was a tax and prices were too high.

They held out to the laboring men of the country these promises of cheap bread, cheap clothing, cheap everything. The gentleman from Virginia [Mr. SWANSON] yesterday was well within the bounds of Democratic orthodoxy when he said that for every dollar that under a protective tariff actually reaches the Federal Treasury five dollars stop in the coffers of the protected industries. That is Democratic doctrine. Four years ago many people believed it was sound and true.

Under a promise to stop this robbery and make everything cheap, the Democrats and Populists got control of the country. We agreed with them that if these theories were put into governmental operation they would produce cheapness, but we denied that cheapness meant happiness. That was the difference between us. The result was what we predicted. A tariff for revenue only resulted in cheaper wool, cheaper bread, cheaper everything; there was no doubt about that; but did cheapness produce happiness, as they said it would? No; it produced misery, just as we said it would.

Now, then, instead of admitting the folly of their philosophy, instead of coming to the altar as penitents, last fall they exploited another humbug to the people. [Laughter.] Now, then, these very same gentlemen who four years ago promised happiness through cheapness cry out against “falling prices,” “shrinkage of values,” and other synonyms for the “cheapness” they deliberately produced, and actually tried to make people believe that it was the remote and speculative act of 1873, and not the act of 1894, that gave us both cheapness and misery. Then the cry was, “Stop the robbery, no matter if it stops our industries.” Now the jugglery is to try and make the farmers and laborers believe that they will get higher prices and better wages if only paid in a depreciated currency. Then they were apostles of cheapness; now they are preachers of inflation. The producers of the country want the best dollar in the world; and if they can only get again the prices and wages, the markets and opportunities they had, even during the poorest years of Republican supremacy, they will be very thankful. In the tariff debate in 1892 I made a prediction which I will now read. It is found in the CONGRESSIONAL RECORD, volume 22, page 3006. I then said:

Sheep husbandry, like every other industry, has its natural and unnatural enemies, against which it must be successfully defended before it can thrive and prosper. Sheep are constantly exposed to the danger of injury from vicious dogs and wolves, and scab and foot rot, and Democracy.

[Loud laughter and applause.]

The most destructive of all these is Democracy. The enactment of this law would be fatal to more sheep in a single season than have been destroyed by the combined depredations of dogs and wolves and scab and foot rot in twenty years.

[Renewed applause.]

I challenge search from one end of the Old Testament to the other for a prophecy that has been more literally fulfilled than this. [Laughter and applause.] At that time we had 47,000,000 sheep; now we have only 36,000,000. The destruction wrought is not measured by the loss of the 11,000,000 sheep that have had their throats cut; not only by the depreciated value of the survivors, amounting to \$63,000,000, but by the still greater loss in the depreciated value of the wool clip, amounting to \$99,000,000 in these four years.

We import now a large amount of agricultural products. More



than half of our imports are agricultural. We are sometimes told, "Oh, the agricultural imports do not amount to anything!" I have here a copy of a circular, No. 11, from the Department of

Agriculture of the United States, giving in detail all our agricultural imports for the last five years, which I will print. The report is as follows:

[Circular No. 11.]

United States Department of Agriculture, section of foreign markets. (Under the immediate supervision of the Secretary of Agriculture.)

AGRICULTURAL PRODUCTS \* IMPORTED BY THE UNITED STATES IN THE YEARS ENDED JUNE 30, 1892 TO 1896, INCLUSIVE.

Value of imports and domestic exports of the United States, total and agricultural, and excess of agricultural exports over agricultural imports, from 1892 to 1896, inclusive.

Year ended June 30—	Imports.			Domestic exports.			Excess of agricultural exports over agricultural imports.
	Total.	Agricultural.	Per cent agricultural.	Total.	Agricultural.	Per cent agricultural.	
1892	\$827,402,462	\$427,296,622	51.64	\$1,015,732,011	\$709,993,343	70.76	\$372,736,721
1893	866,400,922	415,820,002	47.99	881,090,785	617,718,161	70.11	261,888,129
1894	654,994,622	357,743,253	54.62	869,204,937	630,270,788	72.51	272,527,535
1895	731,009,965	365,232,029	49.91	703,362,509	554,732,846	78.86	189,449,817
1896	779,724,674	382,138,155	49.01	863,200,487	571,898,845	66.25	189,761,030
Annual average for the 5 years 1892-1896	772,098,529	389,052,012	50.47	874,512,164	634,922,990	72.60	245,270,984

\* The list of products classed as agricultural in this circular differs in several particulars from the classification made by the Treasury Department and also from that hitherto employed by the Department of Agriculture. A number of articles that seem properly to fall within the agricultural category are for the first time included. For this reason the total values of agricultural imports and exports here given are somewhat in excess of those printed in previous statements.

The following tables exhibit in detail the quantities and values of the various agricultural products imported and exported by the United States in the fiscal years 1892 to 1896, inclusive:

Imports of agricultural products into the United States during the five years ended June 30, 1892 to 1896, inclusive.

Articles.	1892.		1893.		1894.		1895.		1896.	
	Quantities.	Values.	Quantities.	Values.	Quantities.	Values.	Quantities.	Values.	Quantities.	Values.
<b>Animals, and their products, except wool:</b>										
Animals, live—		Dollars.		Dollars.		Dollars.		Dollars.		Dollars.
Cattle..... number..	2,108	47,406	3,203	45,682	1,592	18,704	149,781	705,853	217,826	1,509,856
Horses..... do.....	14,074	2,455,898	15,451	2,388,267	6,166	1,319,572	13,088	1,055,191	9,961	602,591
Sheep..... do.....	880,814	1,440,530	459,484	1,082,977	242,508	789,181	201,461	682,618	322,692	853,530
All other, including fowls.....		307,752		525,269		374,789		253,416		226,500
<b>Animal products, except wool—</b>										
Beeswax..... pounds..	271,008	65,487	248,000	62,024	318,600	80,024	288,001	78,776	273,464	75,970
Bones, crude.....		845,668		360,573		307,033		306,049		157,946
Bristles..... pounds..	1,405,003	1,455,058	1,598,818	1,508,258	662,520	929,231	1,901,404	1,244,151	1,572,530	1,435,348
<b>Dairy products—</b>										
Butter..... do.....	114,137	10,549	73,433	13,479	144,346	23,356	72,148	12,930	62,007	8,533
Cheese..... do.....	8,305,288	1,238,166	10,105,924	1,425,927	8,742,851	1,247,198	10,276,293	1,450,657	10,728,307	1,491,338
Milk.....		95,947		110,186		102,396		89,491		62,622
Eggs..... dozen..	4,188,402	522,240	3,818,011	592,973	1,791,430	190,506	2,705,502	384,136	947,132	88,682
Feathers and downs, crude.....		443,776		654,337		263,849		1,746,967		2,380,804
Gelatin..... pounds..	5,541,776	495,519	6,170,162	567,756	4,132,524	400,240	4,751,048	416,304	6,276,926	555,979
Grease.....		271,421		419,625		256,287		1,531,908		1,532,001
Gut, unmanufactured.....		225,278		229,261		188,111		212,645		195,362
Hair.....		1,685,562		2,005,793		839,972		1,165,944		1,244,077
Hides cuttings and all other glue stock.....		303,302		385,525		290,062		263,175		279,692
Hides and skins..... lbs.	26,850,218		28,347,896		16,786,152		220,575,745		210,398,011	
Honey..... gallons..	70,103	31,418	176,147	79,396	182,643	50,156	67,444	22,963	79,985	30,609
Hoofs, horns, and parts of, unmanufactured.....		797,529		554,902		235,232		268,400		568,445
Meat and meat extracts.....		430,048		558,284		412,686		479,336		493,393
Ment products, not elsewhere specified.....		15,386		16,717		12,291		5,244		39,129
Oils, animal..... gallons..	32,543	12,136	55,619	21,327	3,597	1,232	1,464	469	37,339	12,213
Oleo-stearin..... pounds..		(a)		(a)		(a)		(a)		(a)
Rennets.....		116,460		109,356		70,063		84,415		51,073
Sausage, bologna..... lbs.		82,507		98,659		102,610		93,188		359,290
Sausage skins.....		563,650		583,217		495,118		419,345		588,657
<b>Total value of animals and their products, except wool</b>		40,817,941		43,127,671		35,696,601		38,868,063		44,903,820
<b>Breadstuffs:</b>										
Barley..... bushels..	3,146,328	1,592,040	1,070,129	621,605	701,061	368,744	3,116,816	867,743	837,384	317,399
Corn (maize)..... do.....	15,290	10,762	1,881	1,295	2,109	1,508	16,575	7,552	4,338	1,877
Oats..... do.....	30,203	8,224	21,309	8,897	8,945	3,028	308,308	80,901	47,506	13,039
Oatmeal..... pounds..	496,353	27,942	506,232	25,642	421,459	24,483	396,176	21,063	345,732	19,699
Rye..... bushels..	83,537	67,507	8,598	7,055	50	37	12,918	6,272	154	291
Wheat..... do.....	2,459,603	1,065,385	906,280	707,053	1,181,090	769,177	1,429,993	868,965	2,110,030	1,396,161
Wheat flour..... barrels.	614	4,231	410	2,223	401	1,946	1,808	8,295	1,394	6,848
All other, and preparations of, used as food.....		1,223,060		1,266,835		1,042,064		908,002		1,035,700
<b>Total value of breadstuffs</b>		4,880,147		2,940,575		2,201,867		2,859,813		2,780,814
<b>Fibers:</b>										
Animal—										
Silk..... pounds..	8,894,049	25,059,325	8,497,477	29,830,986	5,902,485	16,224,182	9,316,460	22,626,050	9,363,967	26,765,429
Wool..... do.....	143,670,632	19,088,108	172,438,838	21,064,180	55,152,585	6,107,438	276,033,906	25,556,421	230,911,473	32,451,242
<b>Vegetable—</b>										
Cotton..... pounds..	28,663,769	3,217,521	43,367,952	4,688,799	27,705,949	3,008,886	40,332,022	4,714,375	55,350,520	6,578,212
Flax..... tons.....	7,812	1,964,163	6,696	1,879,152	4,352	1,330,845	7,233	2,050,291	7,833	1,804,428
Hemp..... do.....	5,187	681,809	4,817	685,485	1,635	230,918	6,954	882,761	8,450	1,080,503
Istle or Tampico fiber, tons.....	4,732	325,548	4,987	321,869	4,789	257,089	9,827	458,404	12,207	717,585
Jute and jute butts, tons.....	88,624	3,021,174	82,231	2,467,828	50,037	1,716,298	110,671	2,752,966	86,922	2,001,203
Manilla..... do.....	44,574	6,672,279	50,439	8,376,370	35,233	4,013,255	50,278	4,000,517	47,244	8,004,585
Sisal grass..... do.....	48,020	5,187,620	54,431	6,005,484	48,463	3,742,073	47,596	2,743,396	52,130	3,412,780
All other..... do.....	12,824	1,271,501	16,303	1,635,367	10,207	858,003	6,152	324,746	6,536	299,627
<b>Total value of fibers</b>		67,089,048		70,961,520		37,508,989		66,178,933		78,663,576

a Not separately stated.

# APPENDIX TO THE CONGRESSIONAL RECORD.

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Imports of agricultural products into the United States during the five years ended June 30, 1892 to 1892, inclusive—Continued.

Articles.	1892.		1893.		1894.		1895.		1896.	
	Quantities.	Values.	Quantities.	Values.	Quantities.	Values.	Quantities.	Values.	Quantities.	Values.
<b>Sugar and molasses:</b>		<i>Dollars.</i>		<i>Dollars.</i>		<i>Dollars.</i>		<i>Dollars.</i>		<i>Dollars.</i>
Sugar.....pounds..	3,550,509,165	104,408,813	3,769,445,847	116,253,784	4,345,193,881	126,871,889	3,574,510,454	70,462,896	3,896,338,557	89,219,773
Molasses.....gallons..	22,448,309	2,877,744	15,490,679	1,992,394	19,670,663	1,984,778	15,075,879	1,395,146	4,087,604	737,393
Total value of sugar and molasses.....		107,286,557		118,246,178		128,856,667		77,757,982		89,957,088
<b>Tea, coffee, cocoa, and substitutes:</b>										
Tea.....pounds..	90,079,089	14,373,222	89,061,287	13,857,482	93,518,717	14,144,243	97,253,458	13,171,379	93,908,372	12,704,440
Coffee.....do.....	640,210,798	128,041,930	865,469,098	80,485,558	559,934,337	90,314,670	652,308,975	96,130,717	580,597,915	84,761,124
Cocoa, crude, and leaves and shells of.....pounds..	21,065,874	3,221,041	24,460,325	4,017,801	17,634,779	2,402,382	29,307,048	3,195,811	23,276,507	2,387,078
Chicory root, raw, unground.....pounds..	5,492,792	93,170	6,689,332	194,070	7,951,042	168,892	9,544,186	159,142	15,841,055	210,228
Coffee substitutes, n.e.s.do.....	2,184,348	83,159	1,729,124	64,298	1,589,673	53,554	2,770,117	106,886	2,066,962	90,532
Total value of tea, coffee, cocoa, and substitutes.....		145,812,531		98,559,209		107,085,747		112,762,935		100,185,402
<b>Miscellaneous products:</b>										
Flowers, natural, dressed or undressed.....		30,782		55,046		41,445		10,014		10,386
Fruit juices—										
Cherry juice, and fruit juices, n. e. s.....		37,307		36,601		17,452		20,470		47,285
Prune juice or prune wine.....gallons..	26,774	27,716	22,365	19,481	31,792	27,406	39,011	28,820	34,423	28,566
Fruits and nuts.....	30,943,906	30,943,906	23,087,422	23,087,422	18,754,771	18,754,771	17,230,923	17,230,923	19,082,439	19,082,439
Hay.....tons.....	79,715	715,151	104,257	904,755	86,784	761,940	201,900	1,433,716	302,652	2,773,535
Hops.....pounds..	2,600,224	883,701	2,691,244	1,085,407	828,022	484,415	8,133,664	609,744	2,772,045	609,419
Indigo.....do.....	2,461,667	1,772,507	8,226,312	8,137,511	1,718,594	1,218,576	8,950,988	2,015,975	3,340,001	1,673,170
Malt, barley.....bushels..	6,165	6,149	3,559	4,411	5,010	5,676	11,069	7,405	5,579	4,774
Oil cake.....pounds..	10,366,156	106,811	7,302,537	82,916	7,600,871	37,888	6,794,531	47,774	7,473,016	45,725
Oils, vegetable—										
Fixed or expressed—										
Olive, salad.....gallons..	706,496	876,613	686,832	891,424	757,478	909,807	775,046	952,405	942,598	1,107,049
Other.....do.....		2,239,540		2,754,372		1,730,797		2,570,035		2,557,029
Volatile or essential.....lbs..	3,451,519	1,676,064	4,022,117	1,654,030	2,861,875	1,102,108		1,308,950		1,554,286
Opium, crude.....pounds..	587,118	1,029,203	615,957	1,186,824	716,881	1,691,914	358,455	730,609	305,514	683,347
Plants, trees, shrubs, vines, etc.....		155,018		137,506		124,143		632,523		955,307
Rice and rice meal.....pounds..	148,103,688	3,080,883	147,483,828	2,790,151	142,161,817	2,374,835	219,564,329	3,445,512	146,724,607	2,185,579
Sauerkraut.....do.....		3,728		39,153		16,652		25,808		7,895
Seeds.....		2,204,837		2,767,010		2,365,003		6,535,589		2,683,154
Spices—										
Ground.....pounds..	2,361,248	307,738	2,488,466	298,008	1,064,246	257,845	2,058,782	272,223	2,618,214	294,006
Unground.....do.....										
Nutmegs.....do.....	1,580,005	750,813	1,419,636	613,743	1,140,878	305,977	1,652,613	513,801	1,355,420	483,436
Pepper.....do.....	14,769,322	1,069,208	21,467,275	1,278,062	12,764,215	665,576	20,501,837	791,345	16,644,763	650,801
All other.....do.....	14,511,451	920,066	16,892,214	1,110,197	14,837,688	943,155	17,879,564	1,082,568	19,163,589	989,226
Starch.....do.....	843,304	22,820	8,855,457	90,485	2,045,216	42,036	4,265,650	82,150	3,467,390	62,756
Straw.....tons.....	3,062	18,738	8,893	30,681	8,313	37,300	7,745	24,544	7,879	31,140
Tobacco, leaf.....pounds..	21,988,535	10,332,423	28,110,578	14,702,440	10,663,259	10,985,386	26,608,261	14,745,729	32,024,966	16,563,180
Vanilla beans.....do.....	242,639	803,606	238,733	793,935	171,556	727,853	137,236	495,273	235,763	1,013,608
Vegetables—										
Beans and peas.....bushels..	874,050	957,824	1,754,942	1,734,228	1,184,081	1,117,069	1,535,960	1,548,767	613,801	678,320
Potatoes.....do.....	189,871	188,000	4,317,021	2,000,569	3,002,578	1,277,194	1,341,533	603,554	173,240	127,595
Pickles and sauces.....do.....		421,282		454,000		341,135		321,633		324,377
All other.....do.....		1,318,105		1,331,773		1,158,769		1,497,583		1,406,558
Vinegar.....gallons..	67,970	18,191	66,834	19,295	68,542	18,501	75,108	19,823	81,075	24,552
Wines—										
Champagne and other sparkling.....dozen bottles..	319,562	4,571,816	374,124	5,570,054	297,360	3,408,322	257,757	3,807,901	246,363	3,628,319
Still wines—										
In casks.....gallons..	3,477,989	2,464,484	8,525,625	8,505,024	2,590,693	1,817,813	2,789,153	1,945,347	2,834,808	1,950,770
In bottles.....dozen..	305,140	1,008,203	413,800	2,121,275	296,697	1,423,143	296,779	1,430,229	914,180	1,527,916
Total value of miscellaneous products.....		61,871,308		75,982,900		56,393,962		60,864,333		65,647,545
<b>RECAPITULATION.</b>										
Animals and their products, except wool.....		40,317,941		43,127,671		25,693,001		28,868,033		44,963,820
Breadstuffs.....do.....		4,889,147		2,940,575		2,201,887		2,859,813		2,780,814
Fibers.....do.....		67,089,048		70,961,529		37,508,969		66,178,933		78,693,576
Sugar and molasses.....		107,286,557		118,246,178		128,856,667		77,757,982		89,957,088
Tea, coffee, cocoa, and substitutes.....		145,812,531		98,559,209		107,085,747		112,762,935		100,185,402
Miscellaneous products.....		61,871,308		75,982,900		56,393,962		60,864,333		65,647,545
Total agricultural imports.....		427,296,622		415,820,002		357,743,253		395,282,029		382,138,155
Total imports.....		827,402,462		896,400,622		654,094,622		731,930,965		779,724,674
Per cent agricultural.....		51.64		47.99		54.62		49.91		49.01

NOTE.—The tariff law of 1890 was in effect until August 27, 1894, at which date the present tariff became law.

That is an average of over 50 per cent of all our imports in the last five years. The gentleman from Missouri [Mr. DOCKERY] said yesterday that tea, coffee, and cocoa were included in this statement of agricultural imports. That is true. They are strictly agricultural products, and they are the only items in the whole list that are not produced on the farms of the United States. Let me say, further, that in these statistics we have charged up as agricultural products in the wool schedule only the actual raw wool, and have passed the woolen goods as manufactured products. Of these we imported last year \$53,494,193 worth.

Now, if you were to take the wool that comes in in the shape of woolen goods and classify it where it belongs as a farm product,

by the side of raw wool as a farm product, and were to add a few other items of the same kind, manufactures of flax and other vegetable fiber, over \$27,000,000 worth, articles produced originally on the farm but advanced somewhat in the factory, they would more than take the place of tea, coffee, and cocoa, which we do not produce in this country, so that it is strictly true that a little more than one-half of our imports are agricultural products of a kind that comes in direct competition with the products of our fields and flocks.

On these things we have placed a protective duty in this bill for the direct benefit of the farmers. Forty-four million dollars of these imports are animal products, the like of which we produce



in great abundance, and from the sale of which a large number of our people make their living, and for which we ought not to send our good American gold abroad. Seventy-eight million dollars of it is for animal and vegetable fibers, such as wool, cotton, flax, and hemp, every pound of which our farmers can and will produce in time, if only properly protected against unfair competition of the cheap land, cheap labor, and cheap civilization generally of the countries which under free trade have driven our farmers, to this extent, out of our own American markets.

In 1894, for instance, we sent abroad \$128,218,773 for sugar. All this had to be paid for in gold. No wonder there is a drain on our gold reserve. We intend by this bill to change the direction of that current and pour that mighty stream of gold into the pockets of our own farmers, laborers, and machinists by establishing here the beet-sugar industry.

Mr. McRAE. I am not quite certain that I heard the gentleman's figures correctly, but if I did, does it not appear from the statement he has himself read that there was a larger per cent of agricultural products imported under the McKinley law than under the Wilson law?

Mr. JOHNSON of North Dakota. It does. There was a larger free list under the McKinley law. Sugar was then on the free list. In fact, there is a greater freedom of trade under a Republican tariff than under a Democratic tariff. These figures show that when we have good times, when business is humming and booming, a protective tariff is not prohibitory at all, but it does secure the millions to the Federal Treasury which the Democratic party throws away or gives as a present to our foreign competitors.

Mr. McRAE. Then the purpose is not to keep out these agricultural products, but to get them in?

Mr. JOHNSON of North Dakota. The purpose is either to keep them out or, if they do come in, to get a good big revenue from them. [Applause on the Republican side.]

Mr. BELL. May I ask the gentleman a question?

Mr. JOHNSON of North Dakota. Yes, sir.

Mr. BELL. I understand you to say that we import but few cowhides.

Mr. JOHNSON of North Dakota. Oh, not at all; there is a very large importation, amounting to \$30,000,000 a year.

Mr. BELL. And that is all imported for sole leather.

Mr. JOHNSON of North Dakota. Mainly for sole leather.

Mr. BELL. Were they not put on the dutiable list in the preparation of the McKinley bill originally, and was it not so stated in the report of Mr. McKinley, and were they not struck out when the New England shoe manufacturers came forward and interfered?

Mr. JOHNSON of North Dakota. Free hides has been a Republican doctrine ever since the close of the war, or at least since 1873.

Mr. BELL. Why was that a Republican doctrine?

Mr. BRUMM. If the gentleman from North Dakota will permit me, I will answer that question. It is because no man goes directly into the business of raising hides. The raising of hides is not an industry; it is an incident to an industry.

Mr. JOHNSON of North Dakota. Certainly. We could not increase the production of hides by putting a tariff on hides. The hide is a by-product.

Mr. HANDY. May I ask the gentleman from North Dakota a question?

Mr. JOHNSON of North Dakota. Certainly.

Mr. HANDY. Is it not a fact that the morocco factories of this country, many of which are located in my district, import large numbers of goatskins—something like thirty million?

Mr. JOHNSON of North Dakota. Certainly. That is an article that we do not produce in this country to any extent.

Mr. DE GRAFFENREID. Do I understand the gentleman to say that we do not produce goats in this country?

Mr. JOHNSON of North Dakota. Not to any amount; a tariff on goatskins would be a tariff for revenue only.

We of the Republican party, when in charge of the Government, reduced our enormous national debt one thousand nine hundred millions in twenty-eight years. That was a reduction at the rate of \$68,000,000 a year. The Democratic party, running the Government on the opposite policy, have increased the national debt \$262,000,000 and over in three years. We reduced the interest on our national debt from \$129,000,000 a year to \$22,000,000 a year. They, with a richer and a more numerous people, have reversed that policy and have increased the burden of our interest charge from \$22,000,000 to \$23,000,000 a year. That is a fair comparison.

Now, I wish to have a word with these theoretical wheat farmers from Alabama and Montana. It is pathetic to hear them grieving over the depression of the wheat farmer and attributing whatever misfortunes he may have had to the gold standard. In the last Congress I made some remarks on that question. I showed how enormously the price of wheat had dropped in every instance with the triumph of the Democratic party and had risen with the triumph of the Republican party, and then on the 6th day of February, 1896, I predicted the rise in the price of wheat which oc-

curred last fall. I predicted it in this language. Calling attention to the ups and downs in wheat prices, I said:

Unless God changes the laws of nature and of economics, the same change in the price of wheat will take place in December, 1896.

That prophecy was as literally fulfilled as the prediction which I made with regard to sheep and free wool in 1892. I have heard gentlemen say on this floor that that rise was caused by the famine in India. Of course I could not foresee the famine in India, but I could foresee the triumphant election of Mr. McKinley. [Applause on the Republican side.] The advance in the price of wheat was a little greater than I expected. It was about 20 cents a bushel, whereas I did not expect an advance of over 12 or 15 cents a bushel.

Mr. HOWARD. Why did not cotton advance after the election of Mr. McKinley?

Mr. JOHNSON of North Dakota. If you men from the cotton States would come up here and honestly and sincerely pledge your support to the protective doctrine, we would include cotton in the same list in which we have put wheat and hay and corn and potatoes, and the gentleman from South Carolina [Mr. McLaurin] who, in my judgment, points out the true road to the future greatness and power of the South, would not stand here alone pleading for prosperity for the cotton States. [Applause on the Republican side.]

Ever since 1846 cotton has been on the free list at the request of the members from the cotton States, who have insisted that they did not want or need protection on cotton.

Gentlemen on this floor who claim that they can explain the rise in wheat by the famine in India must necessarily come upon our platform and adopt our theory, which is that the price of wheat is regulated by the law of supply and demand and not by the kind of money used in the trade. That has always been our position. But let us ask what effect did the famine in India have upon the world's supply of wheat? Was it sufficient to cause the difference in price? That it caused some of it, I will admit, but after all, how picayunish is that supply!

Mr. HOWARD. May I ask the gentleman one more question?

Mr. JOHNSON of North Dakota. Not until I get through with this point. They have never exported more than 35,000,000 bushels of wheat a year from India. What sort of a figure does that cut after all? And it is years since they exported that much; that was in the eighties. Since 1891 they have never exported more than 25,000,000 bushels of wheat a year. Twenty million bushels may continue to be put down as the total annual export from India. They raise only 250,000,000 bushels a year—half as much as we do—and they have six or seven times as many people as we have to consume it nearly all at home.

Reduced to five-year periods, the annual average exports of wheat from India have been as follows:

	Bushels.		Bushels.
1893-1897	574,446	1883-1887	35,214,655
1873-1877	4,230,503	1868-1872	31,281,266
1878-1882	13,804,666	1863-1867	21,704,000

Now, if the cutting off of 30,000,000 bushels of wheat from the supply of the world by last year's drought in India would cause this rise in price, what effect would the reduction of 120,000,000 bushels in the demand have on depressing the price? Six times as much, surely.

I did not figure on the insignificant effect of reducing the world's supply by 20,000,000 bushels; that is something, but very little. I did figure on a Republican victory opening our mills and factories and restoring the home market for wheat which we had before 1892.

I did count on reopening the market for 60,000,000 bushels of our wheat by reciprocity, which is one of the most beneficent features of this bill.

The gentleman from Iowa [Mr. DOLLIVER] yesterday made the statement, which is supported by the figures, that we are consuming now about a bushel and a half of wheat less per capita than we did in 1892—and that is true, because, cheap as wheat bread is, there are thousands—yea, millions—of our fellow-citizens who have gone hungry for the simple reason that they are out of employment and have not the money with which to buy this wheat bread, cheap as it is.

We know that by putting the Dingley bill on the statute book we can restore again the conditions of industry that we had under the McKinley law. The tendency will be to buy at home instead of abroad, even if prices on some things may be a little higher. We know that that will cause our people to earn money—to have money with which to buy. There are more than seventy millions of us. A bushel and a half apiece would make over 100,000,000 bushels increase in the demand for wheat right in our own country. Is not that likely to have a much greater effect upon the wheat market here than simply increasing or decreasing the demand in the markets of the world by the paltry amount of 20,000,000 bushels from India? We shall furnish the entire 100,000,000 bushels at home, but could only get a chance to supply a small share of the 20,000,000 abroad.

It is very fashionable to assume that wheat has been going down and down and down during late years. The wheat market is very sensitive, and oscillates from day to day and from year to year, but on the whole it went up and up and up as long as the Republican party was in power—measured by what the wheat farmer got for his product. I am not talking about the export price—the price in New York or Liverpool. What does the farmer of Kansas or North Dakota care about that? All he cares about is what he gets for his product on his farm.

I will take the four States Iowa, Minnesota, Kansas, and Ne-

braska and will trace the farm price of wheat back to 1862. The only reason I do not include my own State is because in those days we produced no wheat. Our State was then a barren Indian country. Now we produce annually in my district one-seventh of the entire wheat crop of the United States. It is unreasonable to suppose that the pouring of 61,000,000 bushels of wheat into the surplus of the country from the district which I represent, as we did in the year 1895, had no effect on prices, while 20,000,000 bushels from India—only a third as much—had the effect of advancing the price of wheat 20 cents a bushel.

*The bushels of wheat raised, the total value in currency, and the average currency and gold values per bushel of the same, on the farms, of the wheat crops of Iowa, Minnesota, Kansas, and Nebraska, from 1862 to 1895, inclusive.*

[Including estimates for Minnesota for 1896, for which no Government figures are given.]

Years.	Production.	Total value.	Average value per bushel in cents.					
			Four States.		Iowa (gold).	Minnesota (gold).	Kansas (gold).	Nebraska (gold).
			Currency.	Gold.				
1862-1866	<i>Bushels.</i> 84,585,105	\$60,080,213	106.5	71.4	72	60	66.4	84.1
1867-1870	151,910,000	130,001,410	86	66.4	66.3	65.3	82	55.5
1871-1874	224,824,000	181,438,420	80.7	72.0	70.8	73.1	88.0	60
1875-1878	319,073,206	235,870,585	73.9	68.5	68.1	72.9	89	80.6
1879-1882	398,653,768	349,117,128	86.1	86.2	82.2	80.5	79.3	79.3
1883-1886	454,474,400	279,808,688	61.6	65	64.3	59.8	54.4	54.4
1887-1890	385,019,000	252,634,185	70.8	71.8	73.4	60.4	65.2	65.2
1891-1894	454,776,789	280,613,498	59.3	67.6	62.1	55.5	55.6	55.6
1895	116,945,533	51,086,841	43.0	46	44	45	45	40
1862-1895	2,590,231,795	1,857,601,208	71.7	69.4	71.3	71.8	65.0	61.2

Here are the average prices of wheat on the farms in the four States I have named—Iowa, Minnesota, Kansas, and Nebraska. The average price during the years 1862 to 1866 was 71 cents a bushel; from 1867 to 1870, 66 cents a bushel; from 1871 to 1874, 72 cents a bushel; from 1875 to 1878, 68 cents a bushel; from 1879 to 1882, 86 cents a bushel. Then during the four years that Grover Cleveland was President for his first term there was a drop in prices. We were threatened with "tariff reform." During those four years the average price was 61 cents a bushel. Under Republican supremacy the price rose to 70 cents per bushel. From 1891 to 1894 it was 59 cents; in 1895, 43 cents.

We thus find that, measuring prices always in the same kind of money, there has never been a time when the farmer got as much per acre or as much per bushel, considering the cost of production, as he did the last year under Republican supremacy.

Mr. DEGRAFFENREID. How much wheat was imported last year?

Mr. JOHNSON of North Dakota. About 2,000,000 bushels.

I admit that wheat was higher in New York in 1865 than it is now; but what do we care about that? The railroad companies then got 96 cents where they now get but 12 cents for their services, and probably made less clear money than they do now. We in the West at one time supposed that the farmer would get the benefit of the decreased cost of transportation. In that we were mistaken; the consumer has got that. We, however, have got our full share in the cheapening of the production. Whatever saving there has been from the increased use of machinery we have got almost the entire benefit.

Let me mention an incident in connection with this matter of improved methods of wheat raising. When the World's Fair at Chicago was in progress, some of our wheat farmers in North Dakota wished to show the commissioners of the different nations of the world how we raised wheat according to up-to-date methods, the object being to show foreign countries why they could not successfully compete with us in wheat raising. A train of palace cars was sent down to Chicago, and the commissioners of the different nations were invited to come to North Dakota and see how we raised wheat. About half of them accepted the invitation. At 9 o'clock in the morning the train of cars stopped by the side of a wheat field which had been selected for the exhibition.

A mile square of wheat, golden, beautiful, ripe grain, ready to be cut, was marked off. Mr. Larimore, the proprietor of the farm, put in 45 machines, each drawn by three mules, and one man to each machine as driver, which came up as regularly and as beautiful as so many batteries of artillery going into action. They came up on echelon, and followed each other around in regular order throughout the field of grain.

By 3 o'clock in the afternoon they had succeeded in cutting and binding—each machine being a self-binder—the entire mile square which had been taken as a sample.

No man could witness such methods of harvesting wheat on such a vast acreage of new and fertile land without reflecting that something less remote than the "crime of '73" had become a factor in the world's price of bread. [Loud applause.]

#### The Tariff.

#### SPEECH

OF

HON. J. YOST,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 24, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. YOST said:

Mr. CHAIRMAN: One of the most unjust schedules in this bill is that relating to manganese, which is put on the free list. We have failed heretofore to produce a sufficient quantity of this material for the simple reason that there has been no earnest, comprehensive effort to develop the deposits known to exist in a dozen States of the Union. Capital is required to make this development, but capital can not be induced to invest as long as the material to be won is forced into direct competition with similar material mined abroad under a different labor system and entered here duty free. In 1895 our domestic production of manganese was less than 10,000 tons, or about 10 per cent of the manganese consumed. But a few years ago a single mine in the district I represent produced nearly 20,000 tons per year. To-day that mine is not in operation. This practical abandonment was not due to an exhaustion of the ore. It is attributable directly to the influx of the foreign product.

Not only has this importation had the effect of closing the mines already developed, but it has placed an embargo upon any further effort to utilize the vast stores of this material which now lie useless in the mountains of the South. As the importations have increased, so has the domestic supply decreased. The following figures, taken from the last Report on the Mineral Resources of the United States, tell their own tale:

Year.	Domestic production of manganese.	Imported for consumption.	Percentage of American product.
	<i>Tons.</i>	<i>Tons.</i>	
1880	24,197	4,135	85
1890	25,684	23,968	39
1891	23,416	28,624	45
1892	13,613	38,364	19
1893	7,718	67,717	10
1894	6,308	44,055	12
1895	9,547	80,111	10

It is idle to contend that we can not produce manganese of good quality and in sufficient quantities. Heretofore the larger proportion of manganese produced in the United States was mined



in the Valley of Virginia, in Georgia, and in Arkansas. The late Joseph D. Weeks, who for a number of years, including 1896, prepared the article on manganese for Mineral Resources of the United States," and who was recognized as an expert, stated that the occurrence of manganese—

Is almost coextensive with brown hematite iron ores. It is found all along the western slope of the eastern ridge of the Appalachian Mountains from Maine to Georgia.

The indications are that there are very large deposits in the Rocky Mountain region, and on the California coast very large deposits of manganese have been observed. In many cases, however, the ore is so far from railroads and from the points of consumption as to make it impossible to mine it profitably, whilst in other cases it is too high in phosphorus to make it largely available in steel manufacture.

Along the western slope of the Blue Ridge Mountains in Virginia, where the larger proportion of the domestic manganese has been produced, the deposits have been traced for over 100 miles. The developments made, principally at Crimora, have shown not only large quantities, but that the quality is fully up to the requirements of the trade. Similar results have been attained at Elkton and other points where a real effort at development has been made. At still other points on the same range preliminary exploration has proceeded far enough to demonstrate the practicability of extensive and profitable operations, could the necessary capital be enlisted to inaugurate the enterprise upon business lines. And this represents but a section of the manganese deposits of the United States.

Were the actual demand made upon us, in three years' time we could be producing every pound of this material that might be required by our manufacturers. So long, however, as the foreign product is permitted to enter our ports duty free, so long will capital shrink from home employment and seek investment across the water, where the cheap-labor system and ocean freights guarantee a higher percentage of profit. If we close this door, or at least make it more difficult of ingress, we divert the channel of investment and turn it to the development of those resources with which we have been so abundantly blessed. The same argument advanced in favor of manganese on the free list, the same cry of inability to supply its place with the domestic product, has been employed to oppose every real effort at American development.

Less than ten years ago we were solemnly assured that tin plate could not be made in this country. As the result of a protective duty, we have demonstrated that it can be and is being made here. The quality is as good and the cost to the consumer has been lessened. So, too, with sugar. For years it was contended that, inasmuch as the cane-producing territory was limited, we would be compelled for all time to import the bulk of the sugar used. A wise tariff act started the beet-sugar industry, and but for the repeal of that act we should by this time have been in a fair way to produce all the sugar used. Even as it is we have made such headway in beet culture that it is only a question of time when we shall supply the entire domestic demand for sugar, if not export it. So, too, it will be with manganese, if the proper effort is made to protect us against this importation and develop our own deposits. A duty of \$2 per ton would be the equivalent of 25 per cent ad valorem. This would afford ample inducement to open our mines; would, under present importations, bring to the Government an annual revenue of \$175,000, and, even if the whole duty were added to the price, it would not increase the cost of steel rails more than 10 cents per ton.

Our own laborers need the employment which the production of this imported manganese requires; our own mines are ripe for development. Both objects can be attained by the imposition of a reasonable duty, and no American interest will be injured.

#### The Tariff.

#### SPEECH

OF

HON. JOHN B. CORLISS,

OF MICHIGAN,

IN THE HOUSE OF REPRESENTATIVES,

Monday, March 29, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government, and to encourage the industries of the United States—

Mr. CORLISS said:

Mr. CHAIRMAN: The history of our country and the bitter experience of the people during the past four years have demonstrated the wisdom and necessity of a protective tariff. By looking backward and reviewing the effects of laws upon the happiness and prosperity of the people, and in the light of our experience, we may justly hope to find wisdom to guide us in the present and future.

We find that the protective-tariff principle has been the backbone and framework of our political system, our business prosperity, our national progress, and the extraordinary activity and happiness of the American people.

Commencing with the establishment of the protective-tariff system in 1812, we have suffered five periods of great depression, each of which has followed the enactment of laws based upon the principles of free trade; and every period of prosperity during the entire peaceful history of the nation has been during the existence of a protective-tariff law. In 1812 the first high protective tariff was enacted to give strength and stability to the Government in the then approaching war with Great Britain, and a period of great prosperity was enjoyed until this first protective-tariff law, then regarded as a war measure, was repealed, when the business of the country was speedily prostrated and the people reduced to want, idleness, and misery.

The effect of the repeal of this first protective tariff, about 1820, may be illustrated and the condition of the people properly described in the words of Colonel Benton, then a leading Democratic statesman in Congress, who, in describing the condition of our country, said:

No price for property, no sales except those of the sheriff and the marshal, no purchasers at execution sales except the creditor or some hoarder of money, no employment for industry, no demand for labor, no sale for the products of the farm, no sound of the hammer except that of the auctioneer knocking down property. Distress was the universal cry of the people; relief the universal demand.

How truly history repeats itself. This language seems to fit the experiences of the people under the Administration of Grover Cleveland—some time since the idol of Democracy. Relief then was at last secured, as it must be now, by the enactment of a protective-tariff law. There was, however, this difference between that period and the present: The wise and great statesmen of that day, disregarding party prejudices, recognizing the bitter experiences of the people and the evil effects of free trade, the distress and unhappiness, united—Clay and General Jackson, Webster and Van Buren, William Henry Harrison and Silas Wright—in one common cause for the relief of their country and people and the establishment of American interests by strong protective-tariff laws.

Under the stimulating influences of these laws our country was soon restored to prosperity, and for over twenty years we gradually advanced in national wealth, in business and industrial progress and happiness, until, through the political evolutions of partisan strife and the fascinating representations of eloquent theorists, the protective tariff was again destroyed, and the progress of American interests and industries ceased.

The misery and misfortune of the people and the condition of our business interests may be again best illustrated by quoting from the message to Congress of the Democratic free-trade President Buchanan during this second period of depression in the history of our country under free-trade laws:

With unsurpassed plenty in all the elements of national wealth, our manufacturers have suspended, our public works are retarded, our private enterprises of different kinds are abandoned, and thousands of useful laborers are thrown out of employment and reduced to want.

When we consider this testimony in the light of the experience of President Buchanan, who in his earlier career had earnestly supported a protective tariff, but for political supremacy had unfortunately given way to the theorists and consented to the enactment of a free-trade law, we wonder at the tenacity with which many leading Democratic statesmen follow the unfortunate and misleading theories of free trade.

The nation has enjoyed most profound peace and abundant harvests for over thirty years. Her unbounded resources are but half discovered; her manufacturing, commercial, and agricultural interests, through the genius of her people and favorable climate, are unlimited in scope and power of development. During the Administration of the Republican party, under President Benjamin Harrison, and the blessed fostering effects of the McKinley tariff law of 1890, every avenue of human employment seemed to be filled by people with happy hearts. Every factory was alive with the mechanical genius of American artisans; every mine was being worked to its full capacity, daily yielding to the people the hidden wealth of the earth; every farmer was gladdened with the fruits of an abundant harvest, sold at good prices in an American market; every laboring man throughout the length and breadth of our land was actively employed at good wages for the support, happiness, and blessing of his family; the homes of all classes of our people were filled with the necessities and comforts of life; idleness, want, and financial suffering were unknown to the great mass of our industrious people; the revenue of the nation was ample for the demands of the Government, the obligations of our bonded indebtedness, the care of those who bravely defended and preserved by their patriotism the Union, as well as the maintenance and development of the American Navy for the protection of the national honor.

When we recall the glorious progress of the nation and the happiness of the people during this period of Republican Administration of national affairs, and compare it with the dark, gloomy, cloudy, and miserable four years just passed under Democracy, we turn with sorrowing hearts and mournful regrets that more of our citizens could not have heeded the prophetic words of our beloved statesman, James G. Blaine, who, foreseeing the danger of free trade in this country, warned the people in these words:

I am an American, and I rejoice every day of my life that I am. I enjoy the general prosperity of my country, and know that the workmen of this land are the best paid, the best fed, and the best clothed of any laborers on the face of the earth. Many of them have homes of their own. They are surrounded by all the comforts and many of the luxuries of life. I shudder, however, at the thought that the time must come when all this will be changed, when the general prosperity of the country will be destroyed, when the great body of workmen in this land who are now so prosperous will hear their wives and children cry for bread; that the day must come when the great factories and manufactories of this land will shut down, and where there is now life and activity there will be the silence of the tomb.

And the reason why this must be is this: The great Southern wing of the Democratic party are determined to establish the doctrine of free trade in this land. They will be assisted by their Northern allies. The fight is now on. There is a great body of visionary but educated men who are employed day by day in writing free-trade essays and arguments in favor of that doctrine, which find their way into every newspaper in this land. The great body of our people have never experienced themselves the sufferings which always result when the protective principles are laid aside. Poisoned and excited by the wild statements of these writers, and the demagogic appeals of Democratic speakers, the result will be that in the very near future these forces which are now working will be strong enough to defeat at the polls the party advocating the doctrine of protection.

It must inevitably follow that uncertainty and doubt will ensue. The business men of the country, fearing the destruction of the principle of protection, will decline to engage in business, consequently mills will shut down and the workmen will be thrown out of employment. The people will then see what they have never seen before, that they can not be prosperous and have work while this principle is threatened. In the midst of their suffering they will learn that the only way they can be prosperous and happy is to vote for the party that has built up the industries by which they have gained a livelihood; because they will then see clearly that when the manufactory is shut down there is no demand for the only thing which they have to sell, and that is their labor.

Mr. Chairman, in order to illustrate the loss to the American wage earners under the free-trade Wilson Act, I have had prepared a list of the manufactured goods imported into this country during the year 1894 under the McKinley tariff law, as compared with the same articles imported in the year 1896 under the Wilson law, and desire that the table may be printed as a part of my remarks. It will be observed that the total importations in 1894 amounted to \$154,649,867.32; in 1896, \$270,151,878.81, a difference of \$115,502,011.49.

It is well known that manufactured articles embrace about 25 per cent of raw material and 75 per cent of labor. Had the manufactured articles above mentioned been produced in this country we should have consumed in the year 1896 \$67,537,969.70 of the raw material of our own country, and expended for the laboring people of this Union the enormous sum of \$202,613,909.11 in wages. This would have employed the 6,000,000 idle artisans in our country in 1896, at an average price of \$1.50 per day, for twenty-two and one-half days. Under the Wilson law this labor was given to the artisans of Europe and other lands, and the profit upon this labor and material was distributed to the manufacturers of foreign countries. What intelligent laboring man can examine these facts and ever again vote for a party advocating the principles of free trade?

Mr. Chairman, I have the honor to represent one of the largest manufacturing districts in this country, in which nearly every character of manufactories may be found, and during the life of the McKinley tariff law we employed over 35,000 artisans in the manufacturing industries of my city. During that happy period no man who was honest and industrious sought employment in vain or suffered for the necessities of life; but during the past three years, under the Wilson law, nearly 16,000 of these artisans have been forced into idleness, want, and misery. They are honest, industrious, and intelligent citizens, and it is through no fault of theirs that they have suffered from lack of employment.

Mr. Chairman, I am deeply interested in the schedule with reference to sugar contained in this bill. In Michigan we have the soil and willing hands ready to raise the sugar beets required for the production of sugar in this country. Why, with the natural soil, climate, and the genius and activity of our people, should we permit Germany, the West Indies, or any other country to produce for us the sugar that is required by our people? And I rejoice in the belief that through the blessings of this proposed tariff law, when enacted, this great industry may be encouraged to such an extent that in a few years the present order of things may be changed, and instead of receiving from foreign countries more than three-fourths of the sugar we use, it may be produced in our own land.

Mr. Chairman, it has been wisely said, "Show me the laws of a nation and I will tell you the condition of its people." How clearly this wise saying has been demonstrated during the past three years under the evil effects of the Wilson Act!

Mr. Chairman, the American laborer, through the uplifting

influences of the McKinley law, was raised to a self-respecting, independent social condition, and enabled to obtain comforts which in foreign countries are enjoyed only by the rich. The capacity to produce as well as the ability to consume products was increased in this country during that period through the genius and enlightenment of our people until the 70,000,000 of population had become, through active employment at good wages, capable of not only producing but also consuming a third more than the artisans of Europe, and more than twice as much as the people of any other nation.

It is unjustly claimed by many that our misfortune arises from overproduction, stimulated by a protective tariff; but the list of manufactured articles to which I have referred that were imported in 1896 in excess of 1894 demonstrates the fact that the overproduction came from some other land, and not from the laborers of our own country.

Mr. Chairman, whenever the wage earners of our land have steady employment and fair wages, every avenue of trade and business prospers. The farmers, in their present distress, can justly attribute their misfortune to the destruction of the American market, which, under the blessings of a protective tariff, was enabled to absorb, through its employed laboring men, the products of the soil.

We want not only protection to capital, manufacturing industries, and the producers in this country, but also protection to the laborers against the unjust competition from foreign workmen who periodically invade our labor markets and rob us of the fruits of labor justly belonging to our own people.

I have suggested to the Ways and Means Committee an amendment embracing the provision in the immigration bill which I had the honor to present, and which was adopted by this House notwithstanding the veto of the President forbidding the "birds of passage" from entering this country and engaging in competition with our own people, and I regret that the committee are unwilling to favorably consider my suggestion. As Republicans we have ever contended that the protective tariff maintained high wages and benefited the laboring man as well as the capitalist and producer. If that be true—and I am one who believes in the principles of protection—then we should assure the laboring men of our fidelity to their interests by the adoption of a provision similar to the one suggested to the committee.

By this law we would stop not only the products and the manufactured articles made by the cheap laborers of foreign lands, but the skilled mechanics and laborers from coming into the large cities along our borders and competing with our artisans in the building and other trades. Mr. Chairman, the American people not only want this measure, but they likewise and with equal interest and earnestness demand an immigration law that shall restrict, regulate, and control the immigration of the illiterate, half-civilized people from foreign lands who are now and have been for a decade overcrowding our ports for admission. While I am as loyal to our foreign-born citizens as any man upon this floor—and I believe they have come to our country and adopted it as their home for themselves and their families, and are as loyal to the flag as any man who was born beneath it—yet they, as well as I, appreciate the danger that is menacing our people in the indiscriminate immigration permitted under the present insufficient laws.

Laws should be enacted by a nation for the elevation of the masses and not the classes—laws that will destroy special privileges in the hands of the favored few and level them to the plane of equity and justice and of humanity. This measure, coupled with a wise immigration law, will, in my judgment, elevate the masses, grant them employment at good wages, and extend the blessings of prosperity to their families.

In the light of our commercial depression and the restriction of commerce in foreign markets, who does not regret the stupid blunder of the Democratic party in repealing that most wise provision of reciprocity conceived by the prophetic genius of America's most beloved statesman, James G. Blaine, who, through the magic of his diplomatic power during its brief existence, opened new avenues of commerce and additional markets in foreign lands for American products?

Once more, thank God, the American manufacturers and producers, under the present measure, may soon enjoy the advantages and blessings that may be secured through the reciprocity provision embraced in this bill. Mr. Chairman, through the influence and power of this clause and the stimulating influence of a protective tariff to American interests we may hope to soon see American ships, built in American shipyards, from American material, by American workmen, manned by American seamen, carrying our products to new and reopened markets of the world, and proclaiming the greatness and glory of this nation and the magnitude of its wonderful resources by transporting the products of this country into the markets of the world under the protection of the American flag. [Applause.]

Mr. Chairman, the destiny of a nation must depend upon the character of its people, and our greatest duty is to preserve, by



wise laws, not only the American producer, manufacturer, and laborer, but the honor and prosperity of the nation and the character of American citizenship; and the adoption of this measure is, in my judgment, a step in the progress of humanity. [Applause.]

*Imports of dutiable goods under the McKinley and Wilson laws.*

Articles.	Under the McKinley law, 1894.	Under the Wilson law, 1896.
Animals.....	\$1,222,741.02	\$2,740,180.47
Buttons.....	375,125.50	1,305,786.45
Collodion, manufactured.....	95,580.27	345,866.47
Cotton, manufactures of.....	21,590,929.30	22,265,021.92
Earthen, stone and chinaware.....	6,696,451.45	10,539,476.60
Fish.....	4,005,345.65	3,932,905.09
Furs, and manufactures of.....	4,539,670.28	4,875,782.69
Glass and glassware.....	5,095,072.55	6,241,477.10
Hair, and manufactures of.....	102,280.67	916,851.31
Hay.....	761,159.25	2,772,082.04
Iron ores and iron and steel, manufactures of.....	20,559,398.45	25,034,069.78
Jewelry and precious stones.....	4,850,985.25	7,408,008.43
Lead, and manufactures of.....	638,204.56	1,912,438.49
Leather, and manufactures of.....	9,002,749.43	13,250,148.82
Matting and mats for floors.....	5,912.00	180,450.13
Metals, metal compositions, and manufactures of.....	4,124,998.39	4,535,599.65
Musical instruments.....	596,708.98	1,314,590.05
Oils, animal, mineral, vegetable, and volatile.....	1,694,891.25	2,305,368.35
Paints, pigments, and colors.....	956,557.93	1,225,922.15
Provisions, comprising meat and dairy products.....	1,801,161.67	3,090,718.80
Seeds.....	955,636.00	1,302,026.42
Silk, manufactures of.....	24,160,629.29	20,627,731.71
Soap.....	577,409.97	821,855.09
Straw and grass, manufactures of.....	909,321.64	1,143,324.06
Sugar and molasses.....	1,908,390.65	72,985,157.34
Tobacco, and manufactures of.....	11,289,510.64	13,625,398.51
Varnishes.....	56,300.13	106,814.50
Wool, and manufactures of.....	24,780,590.05	48,332,442.28
Cutlery.....	739,738.30	2,134,973.51
Total.....	154,649,967.23	270,151,878.81

### The Tariff.

The supreme policy of every nation is to develop its own producing forces.—*Byes.*

### SPEECH

OF

HON. GEORGE EDMUND FOSS,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. FOSS said:

Mr. CHAIRMAN: I do not wish the opportunity to pass without identifying myself by voice as well as by vote with this important measure—the most important which has engaged the attention of Congress and the country for some time.

Political parties are in the control of a higher providence than our own. They move upon the field of human action for a time, but remain only so long as they meet courageously and wisely the issues of the ever present. The people are holding parties to-day to a stricter accountability. They are saying, "Not many promises, but more performance." [Applause.]

The Republican party in its national convention pledged the people to replenish our depleted Treasury and to revive the dead and dying industries of the country. A trusting people placed its confidence in that party, and on the 4th of March, one of America's greatest statesmen stepped forth and took the oath of office as President of the United States. [Applause.]

Immediately he called Congress in extraordinary session to redeem a promise—to make the people's wish the people's will, and we, their chosen representatives, are here to do it. Let us act wisely but expeditiously, for this measure means the relief of a long-suffering people. [Applause on the Republican side.]

The distinguished chairman of the Committee on Ways and Means, quoting from another, well said that "it is a condition and not a theory that confronts us." When I heard him say that, my mind echoed and re-echoed with another sentiment—that it is the same old condition which has always confronted the American people at the close of any and every Democratic Administration. [Applause on the Republican side.] The same old condi-

tion of closed workshops and empty factories, of smokeless chimneys and idle spindles, of ruined homes and starving people, of free trade and no trade, of low wages and no wages. The last time the Democratic party was in full power in this country it left the Government in the same condition in which it finds itself to-day—with a depleted Treasury and destruction upon every hand. The sublime faith of the people saved it then, and will save it now. First of all, the Government needs more revenue. The receipts have been running behind the expenditures at the rate of over \$50,000,000 per year.

*Receipts and expenditures from July 1, 1893, to June 30, 1897.*

Year.	Total revenue.	Total expenditures, including premiums.	Deficit.
1894.....	\$297,722,019.25	\$367,525,279.63	\$69,803,260.38
1895.....	313,390,075.11	356,196,298.29	42,806,223.18
1896.....	409,475,408.78	434,678,654.43	25,203,245.65
1897 (estimated).....	407,793,120.75	472,293,120.75	64,500,000.00
Total.....			202,312,129.46

It has always been regarded that the best and easiest method of raising revenue is to place a duty upon the foreign imports. During all of that period from the close of the war, in 1865, down to the inauguration of Grover Cleveland, March 4, 1893, while the Government was run upon Republican tariffs, a deficiency was never known.

*Revenue and expenditures of the Government from July 1, 1865, to June 30, 1893.*

Year.	Total revenue.	Total expenditures, including premiums.	Excess of revenue over expenditures.
1866.....	\$558,062,620.06	\$520,800,416.09	\$37,262,203.97
1867.....	490,634,010.27	357,542,675.16	133,091,335.11
1868.....	405,638,083.32	377,340,284.86	28,297,798.46
1869.....	370,943,747.21	322,865,277.80	48,078,469.41
1870.....	411,255,477.63	309,653,590.75	101,601,916.88
1871.....	383,323,944.89	292,177,188.25	91,146,756.64
1872.....	374,106,867.56	277,517,962.67	96,588,904.89
1873.....	393,738,204.67	290,345,245.33	103,392,959.34
1874.....	389,478,755.47	287,183,873.17	102,294,882.30
1875.....	288,000,051.10	274,623,362.84	13,376,688.26
1876.....	287,482,039.16	258,459,797.93	29,022,241.23
1877.....	309,000,586.62	238,000,008.93	70,000,577.69
1878.....	357,763,878.70	236,964,336.80	120,799,541.90
1879.....	273,827,184.46	266,947,882.51	6,879,301.95
1880.....	355,536,610.98	267,042,657.78	88,493,953.20
1881.....	380,782,222.57	300,712,867.69	80,069,354.88
1882.....	406,525,250.28	257,061,480.67	149,463,769.61
1883.....	398,287,581.96	265,408,137.54	132,879,444.41
1884.....	248,519,809.02	244,120,244.33	4,399,564.69
1885.....	323,080,703.38	280,226,955.11	42,853,748.27
1886.....	326,439,727.06	242,483,138.50	83,956,588.56
1887.....	371,403,277.66	267,932,179.97	103,471,097.69
1888.....	379,296,074.78	267,924,801.13	111,371,273.65
1889.....	367,050,058.84	299,238,978.25	67,811,080.59
1890.....	403,060,962.63	318,040,710.65	85,020,251.97
1891.....	392,612,447.31	385,773,905.35	6,838,541.96
1892.....	354,937,784.24	345,023,330.58	9,914,453.66
1893.....	385,819,623.78	383,477,954.49	2,341,674.29
Total.....			1,815,083,249.22

Average yearly excess of revenue over expenditures, \$64,824,401.76.

During these twenty-eight years we have always had abundant revenue and a surplus in the Treasury. The surplus for these years aggregated \$1,815,083,249, making an average for each year of \$64,824,401. Such were the fruits of the Republican tariff policy.

This measure will give the country the necessary revenue. The committee in their report say:

If the bill should become a law by May 1, it is more than probable that it would yield an increase of revenue of nearly \$30,000,000 from sugar, \$10,000,000 from wool, \$14,000,000 from manufactures of wool (assuming that the imports of each would be one-half what they were in 1896), \$1,500,000 from lumber, \$3,000,000 from tobacco (assuming that the revolution in Cuba will continue), \$1,800,000 from silk manufactures, \$2,000,000 from metals, \$3,000,000 from glassware and earthenware, \$4,000,000 from chemicals (including argols and opium transferred from the free list), \$5,000,000 from jute and flax (including burlaps and bags transferred from the free list), \$3,000,000 from agricultural products and fruits, \$1,500,000 from liquors, \$1,500,000 from silks, \$5,000,000 from sundries (including articles transferred from the free list), \$1,500,000 from cotton laces and other fine cotton goods and yarns, or a total of \$75,000,000.

Our Democratic brethren object, and say that this measure raises too much revenue, and warn us against the dangers of a surplus. I am reminded of what a distinguished American citizen once said, "that it was much easier to take care of a surplus than a deficit." These warnings come with poor grace from a party which has placed our Government during the last four years in the mud and mire of financial bankruptcy. [Applause.] What does that party know about a surplus, when it has never produced one in fifty years or been able to pull itself out of a deficiency?

Again, this measure means the encouragement of American industries. The duties are so laid as to protect our own people. Now, the gentlemen upon the Democratic side have made merry over our diversity of opinion as to particular schedules. I believe that the rates might be lowered in some instances and not to the disadvantage of American interests. It is a difficult problem to fix the duties upon all the different articles, and it is not unreasonable that we should seemingly differ among ourselves. We may justly do so; but upon the great principle of American protection there is and will be no division in our ranks. [Applause on the Republican side.]

Let me read from the Republican national platform of 1896, adopted at St. Louis:

We are not pledged to any particular schedules. The question of rates is a practical question, to be governed by the conditions of the times and of production; the ruling and uncompromising principle is the protection and development of American labor and industry. The country demands a right settlement, and then it wants rest.

The country demands a tariff that is neither too high nor too low—a tariff high enough to protect the industries of our country and low enough to furnish the required revenue. But above all, the country demands a tariff measure that will be so reasonable and just to all its diversified interests as to commend itself to the honest judgment of the whole American people, and thereby remain upon the statute books of our country for many years to come, indorsed and repeatedly reindorsed by a greater and a greater majority of the voters of the land. [Loud applause on the Republican side.]

Protection has always been recognized as the national policy of our country ever since Washington signed the first tariff act. It is extremely amusing, if not edifying, to hear our Democratic brethren, who seem to have little respect for history, continually proclaim that their great worthies, Jefferson and Jackson, were free traders. I assert that Jefferson, the patron saint of the Democratic party, was a protectionist. Let me read from a letter which he wrote under the shades of Monticello upon March 2, 1815, to Jean Baptiste Say, a Frenchman who was about to emigrate to this country:

The prohibiting duties we lay on all articles of foreign manufacture which prudence requires us to establish at home, with the patriotic determination of every good citizen to use no foreign article which can be made within ourselves, without regard to difference of price, secures us against a relapse into foreign dependency. And this circumstance may be worthy of your consideration should you continue in the disposition to emigrate to this country.

This proves that Thomas Jefferson not only believed in the doctrine of protection, but, still more, wore upon his body the evidence of the faith that was in him.

Andrew Jackson was also a protectionist. Let me read a short extract from a letter which he wrote to Dr. Coleman April 26, 1824, and mark how appropriate it is to this day and hour:

In short, sir, we have too long been subject to the policy of British merchants. It is time we should become a little more Americanized, and instead of feeding the paupers and laborers of England feed our own, or else in a short time by continuing our present policy we shall be rendered paupers ourselves.

In the light of history, I say to the gentlemen upon the other side that if the Democratic party of to-day had one particle of the patriotism in it that inspired the old Democracy of Jefferson and Jackson, you would be striking hands with us across this Chamber in one common effort of patriotic loyalty to relieve a bankrupt Treasury and to restore prosperity to our country. [Loud applause on the Republican side.]

This measure preserves the home market, the best market of the best people upon the face of the globe, to the American producer. The value of the home market has been estimated at various times, but perhaps with greater accuracy by Mr. George B. Curtiss in his valuable work on Protection and Prosperity. The following figures show the value of our home market in 1890 as compared with foreign markets:

American manufactures.....	\$9,054,436,337
American farm products, at least.....	7,000,000,000
Foreign goods.....	789,510,409
Total.....	16,843,745,746
We exported of all products.....	845,233,828
American market.....	15,998,451,918
Foreign markets.....	7,500,000,000
American over all available foreign markets.....	8,498,451,918

The American market, according to the above, is worth twice as much as all the foreign markets of the world. Who shall say that the American home market is not worth preserving for our own people? What kind of statesmanship is that which would surrender it to others who do not live here and have no interest in the development of our institutions and the working out of the grand destiny of our America? [Applause.]

Again, this measure means American wages for American work-

ingmen, which will give to them and their families the opportunity of enjoying higher standards of living. This, in my judgment, is the strongest argument in favor of the protective policy. The census of 1860 under a low tariff revealed the fact that the number of workmen in the manufacturing establishments of this country was 1,311,246, who earned in wages \$378,878,966, or an average of \$288 for each person. The census of 1890, after thirty years of Republican tariff legislation, revealed a more splendid truth—that the number of laborers had increased to 4,712,622, earning \$2,283,216,529 in wages, or \$484 for each person annually, an increase of nearly 70 per cent.

The bone and sinew of this country to-day are the American workmen, and what increases their comfort and prosperity strengthens and cements the American body politic. Wendell Phillips once said:

It is the dollar left on Saturday night after all the bills are paid that means education, independence, self-respect, manhood. It increases the value of every acre near by, fills the town with dwellings, opens public libraries and crowds them, dots the continent with cities and cobwebs it with railways. The one remaining dollar insures progress and guarantees millions to its owner.

Phillips was right. It is that dollar which means the character and intelligence and progress of the American people. It is that dollar which sends the boy and the girl to the school, the seminary, and the college, and builds them up into strong manhood and gentle womanhood, which above all are the most finished products of American manufacture in this nineteenth century of Christian civilization. It is that dollar which means the security of the present and prosperity of the future. [Loud applause.]

This measure protects the interests of all sections of the country—the North, the South, the East, and the West. There is no sectionalism in it. The men who framed this measure represented all localities and all interests. Their labors have demonstrated that they not only represented the constituencies which elected them, but still more, in a larger and truer sense, that greater constituency which extends from the shore of the Atlantic to the coast of the Pacific, from the Gulf to the Lakes—our common country.

Lastly, this measure means the industrial independence of the nation. One hundred years ago our forefathers, out of love for man and in fear of God, wrought out the political independence of the land. It remains for us to achieve its industrial independence.

Under it prosperity will come slowly, perhaps, at first, because all true progress is necessarily slow in its beginnings. It will come with returning confidence and with reassuring hope. It will come with the stately march of the people's sublime faith in their country and in the ability of the Republican party to govern it. It will come in the closing of the present century. It will come in the dawning of the new. It will come under the Administration of William McKinley. [Long-continued applause.]

#### The Tariff.

#### SPEECH

OF

HON. JOSEPH H. WALKER,

OF MASSACHUSETTS.

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. WALKER of Massachusetts said:

Mr. CHAIRMAN: There are some things material to this discussion that are incontestably true, and must be admitted by all men who will candidly discuss an economic question:

First, that there is as between countries an economic level in manufacturing and a wage level, and that the wage level may and does differ very widely between those same countries from the economic level. The United States, England, France, and Germany are very nearly on the same economic level; that is to say, in the development of their industries and in their use of machinery and methods. The wage levels of those countries, however, differing so widely, make competition unequal without protective tariffs. Of course this general difference in wage levels does not represent the difference in each industry, some industries having more advantage in lower wages in one country than in another, and therefore, to thoroughly protect the wage earners of this country as against wage earners engaged in the same industries in European countries on the same economic level, different rates of protective duties are necessary in a protective tariff.

Again, it is incontestably true that all inventions and improvements in methods in this country are immediately taken to Europe



and there adopted, not only in machines, but in the speed of their running and in the units of products required of each operative in the same class of factories in the countries named, so that the unit of production per wage worker is practically the same in duplicate factories in each of the four countries.

Second, that the cost of taking any product from any European port and delivering it to any port in the United States is less than the average cost of taking the same product of American mills within a radius of 200 miles of any large city from which it is distributed and delivering it to that city.

#### Factories touch ends the world over.

This shows that to-day all factories in all countries have an economic position of touching ends the world over, distance between them being practically annihilated. It is therefore inconceivable to any practical manufacturer how anything can protect American wage earners from having their wages reduced to the general level of the European countries named, all on the same economic level as we are, but having a very much lower wage level than we, except a protective tariff. Eighty years ago the cost of freight and commissions and the crude methods of handling products gave the American producer a considerable advantage, while it is clearly seen that the ocean carriage of to-day, by its improved methods, not only destroys this former advantage, but it gives a decided advantage to the European manufacturer so far as freight to our markets is concerned.

#### Southern opposition to protective tariff.

It is, furthermore, incontestably true that the framers of the Constitution and American statesmen down to 1830, with but two or three conspicuous exceptions, were unanimously in favor of a protective tariff. In fact, no one disputes that the desire for such a tariff had a large influence in the framing and adopting of the Constitution of the United States. Again, it is incontestably true that the sole ground, as announced by themselves, upon which Hon. George McDuffie, John C. Calhoun, and all other Southern statesmen, without exception, founded their opposition to protection was on the fact of the difference in the labor system of the South from the labor system of the North. This was stated with great clearness and force and without abatement by Hon. George McDuffie and all the Southern statesmen of that day. The fact that their horses, mules, and human laborers were each worked without wages, while the laboring people of the North received wages, was the sole and only ground upon which they based their opposition to a protective tariff, and their position was as impregnable as their reasons from their position were sound.

At the very beginning of the discussion they threatened disunion unless a free-trade tariff was adopted, and that they entered upon disunion and were only prevented from consummating it by the resolute conduct of President Jackson is also true. It is, furthermore, a matter of undisputed history that all the results of their ostensible submission were abrogated in the tariff act of 1832. Their declaration that there could be no peace in this country so long as the majority insisted upon a protective tariff was announced at that time and has been repeated in every tariff discussion by every leading Southern statesman from that day to the present, and conspicuously so in that of 1894. I shall use the speeches and conduct of the giant advocates of free trade in the House during the discussion of the Wilson bill rather than the feeble echoes of that debate that were heard in this House upon the Dingley bill.

#### Shaking the bloody shirt.

The gentleman from Georgia, Hon. Charles F. Crisp, on February 1, 1894, used the following language:

For thirty years the reign of the protectionist has never been peaceful. It has never been quiet. And so long as men love liberty and equality and right they never will rest easy under a system which is oppressive and unjust. [Applause on the Democratic side.]

Even my friend from Maine [Mr. Reed], a gentleman usually free, in his public utterances at least, from reflections of that sort, in the conclusion of his argument to-day, thirty years after the war, seeks to arouse some of the feeling of that distant period. . . . When Democrats talked about a reduction in the tariff, our kind and loving friends on the other side said, "Oh, go to the polls and vote as you shot, against the South," and that ended it.

Any allusion to the great historic facts which I have mentioned brings a sharp reproof and a declaration upon the part of even the most fair-minded free traders that we are "shaking the bloody shirt." Every allusion upon our part to the very significant facts of our history receives that reply.

On May 10, 1888, the Hon. Henry G. Turner, of Georgia, used the following language:

If we are unfit on account of our relation to slavery to consider public measures proposing to reduce the burdens of the people, might I not with equal propriety say that those who enslaved the African can not be trusted with the task of revising the privileges of freemen? [Applause.]

#### Protection "cruel and inhuman."

Furthermore, the accusations heaped upon Northern members of Congress upon the floor of the House and Senate, and in the public press, by these Democratic free-trade statesmen, is insult-

ing beyond endurance. The Hon. William L. Wilson, of West Virginia, on January 8, 1894, used the following language, quite remarkable for a man who counts himself and is a most accomplished scholar and genial gentleman under all other conditions:

Sir, this system has made the great protected industries of this country a part of its Government patronage. After every Republican victory since 1874 they have come here, as other party workers, to receive their reward in the shape of new taxes on the American people.

And so I say there is no hope for free government in this country, there is no hope for pure government in this country, as long as the great, powerful, wealthy, combined interests of the country are a part of its Government patronage, bribed by its largesses and overawing it by their clamors. It is their clamors to-day, their indignant, maddening, menacing clamors that are heard over this House. . . . The McKinley bill represented not high and exorbitant protection, but all that greed and selfishness and rapacity desired to exact from the American people. [Applause on the Democratic side.]

Protection is a cruel and inhuman system of taxation.

Hon. BENTON McMILLIN of Tennessee, on January 29, 1894, said:

We come resolutely to the discharge of duty and determine, whatever else occurs, robbery shall no longer be carried on by operation of law.

#### THE ABLEST FREE-TRADE SPEECH EVER MADE.

This practically repeats the sentiments of McDuffie, who, as chairman of the Committee on Ways and Means, made his famous report in 1832, and whose speech, made in the House on May 28 of that year, is the ablest free-trade speech ever made. It is begun on page 3120 of Gales & Seaton's Register of Debates in Congress, part 3, volume 8, from which I shall quote very extensively.

[Hon. George McDuffie.]

As to any adjustment of this great question, therefore, which shall give tranquility to the public mind and restore the broken harmony of this Union "my final hope is flat despair." . . . It can no longer be disguised that there does exist, under the unjust and oppressive legislation of Congress, and without any agency of Providence to that effect, a radical hostility of interests between the two great subdivisions of this confederacy.

The question for the manufacturing States to determine is, "What portion of your unlawful gains will you surrender to save the Union?"

#### THE PROFITS OF MANUFACTURERS.

The same talk of "unlawful gain by manufacturers" is heard from the free traders in every debate since 1832 as at the present moment. Never were statements made that are any more unqualifiedly untrue. Not one of the free traders from 1832 to the present moment ever substantiated their insulting statements to us manufacturers and to the advocates of protection on the floor of Congress by a single well-authenticated fact. Every pretended fact quoted is invariably shown to be garbled or wholly untrue. It is shown by records, open to all the public, and very fully developed by the Hon. William F. Draper, in a speech delivered in Congress January 13, 1894, CONGRESSIONAL RECORD, Fifty-third Congress, second session, volume 137, page 804, that, taking the whole body of manufacturing and other corporations in New England, the manufacturing corporations only averaged to declare a dividend of 3½ per cent on the market price of their whole paid-up stock; that the railways declared a dividend of a little over 4½ per cent, and banks a little over 4½ per cent. Furthermore, that with the additions to the plants of manufacturing establishments and the repairs necessary to prevent them from deterioration, the selling price of the total manufacturing stocks in New England did not cover the actual money expended on them, counting their original cost and what had been spent upon them in the five preceding years, so that these dividends represent more rather than less than the actual profits in manufacturing.

#### PROFITS COME OUT OF NATURE.

No well-informed person, thoroughly familiar with the facts, believes that a single dollar has been made in New England in the last twenty years that has lessened the wages of the working people by a single farthing. Every dollar of profit comes out of nature, in inventions, and in improved methods, and in enlarging factories so as to produce more units of products at the same amount of fixed charges. Only a very small part of these inventions are of such a nature as to bring them within the law of patentability. The price of products at retail to the wage earner who produces them averages much less in any five years than the actual cost of production would have been had the inventions of that five years not been made.

This proves what is incontestably true, that the profits of the manufacturers and the comparatively few large fortunes that are made come out of nature and not out of the wages and the sweat and toil of the American workingman. The Committee on Manufactures of 1832, composed of John Quincy Adams, of Massachusetts; Dixon H. Lewis, of Alabama; Lewis Condit, of New Jersey; James Findlay, of Ohio; Henry Horn, of Pennsylvania; Charles Dayam, of New York; J. T. H. Worthington, of Maryland, and John S. Barbour, of Virginia, in their report against that of McDuffie, said:

The tariff presents two great transcendent, opposite, and irreconcilable interests in deadly hostility to each other. . . . The interest of the South

is identified with England, the foreign rival and competitor of the Northern manufacturer against him, and for his ruin the Southern planter and British manufacturer are colleagues.

These words might have been written with reference to the position of the Democratic free traders in every Congress from 1832 to the present moment, and it accurately states the issue.

#### MOTIVES OF THE FREE TRADERS NOT QUESTIONED.

I am not questioning the patriotism nor loyalty nor the motives of the free traders. I am simply presenting to the House the fact that the free trader of to-day is the lineal economic descendant of the free trader of 1832; that McDuffie and Calhoun of South Carolina, and Toombs of Georgia, do not vary in sentiment by the smallest fraction from the Hon. William L. Wilson, of West Virginia; Hon. Henry G. Turner, of Georgia; Hon. BENTON McMILLIN, of Tennessee; Hon. ROGER Q. MILLS, of Texas, and the whole body of free traders of to-day.

While all cause for a divergence of opinion or of interest between the people whom they represent and the people of New England passed away a third of a century ago, they are still grinding in the prison house of the enemies of their country, echoing the songs and praises, as well as the complaints and accusations, that are only consistent with the conditions of labor where man, alike with the ox and the ass, receives no wages for his toil. When the attention of these free traders is called to the fact that they are still advocating the cause which was coupled with that of a desire and purpose to perpetuate human bondage, they reply to us in the words of Hon. Henry G. Turner on January 3 and 13, 1894, as follows:

The Confederate constitution! Why the gentleman's invocation of this Confederate bit of history? \* \* \* It was because of the four years of that constitution that the Republican party has had an existence in this country. [Applause and laughter on the Democratic side.] It was because of the vigor with which the principles of that constitution were sustained that the policy of protection has raged in this country from one ocean to the other. \* \* \* I respectfully submit that it was that historic incident which has furnished to the gentleman and his party not only the justification but the opportunity for this system of extortion.

Being unable in the slightest degree to comprehend the significance of the freedom and, therefore, wages of the black man of the South as distinguished from his formerly receiving no wages and being a subject of merchandise, like the mule and horse, they are still echoing the now discordant words of ancient days.

#### MR. MILLS ON PLUNDER.

The melodious voices of the Hon. ROGER Q. MILLS and of Hon. BENTON McMILLIN are still heard echoing through the Capitol, saying the same things in the same words of their forerunner, McDuffie. Mr. MILLS, on February 21, 1894, made the following polite and soothing remarks, which practically repeat the speeches of McDuffie in 1832:

Mr. MILLS. Mr. President, I do not feel that it is the duty of Senators and Members of the House of Representatives to consult the people of the United States who are receiving the plunder from the pockets of the vast body of yeomanry in this country. \* \* \*

It is complained that we do not open hearings that the men who have had their hands to their shoulders in the pockets of the people of the United States may be permitted to say to the committees of the two Houses, "We will permit you to take 3 cents but not 4," and we are told that the country is distressed and that men are out of work because Congress will not permit them to keep their hands in the pockets of the people and continue to rob them. \* \* \*

I was not sent here, sir, to consult the manufacturers of this country as to how much I would permit them to take out of the pockets of my people. \* \* \*

Mr. HAWLEY. Will the Senator allow me to make an inquiry?

Mr. MILLS. Certainly.

Mr. HAWLEY. It will make no difference to him that under laws in existence for thirty years establishments have four, five, or ten million dollars' worth of capital, with plants that have grown up, employing three or four thousand people, and that they know perfectly well that under either the Mills bill or the Wilson bill they will have to discharge their employees or cut their wages down 40 per cent? He does not care one cent for that? He says these men are robbers, because under the laws of the country they have built up magnificent establishments and caused the growth of great towns and the putting of \$130,000,000 in the savings banks of my State by wage workers! \* \* \*

Mr. MILLS. If your doctrines are true, why do you not put a protective tariff around each one of the States? Why do you not prohibit the people of each State from trading freely with the people of other States? If your doctrine is true, why do you not put a protective wall around each county in each State and develop that county, and make it independent and self-sustaining? Why do you not carry it out to its last analysis and put a protective wall around each precinct and township in each county? Then why do you not carry it to its ultimate analysis and build a wall a mile high around each man, and let him develop himself and produce all the things and satisfy his own wants, and leave him independent of all other parts of the community?

How delightfully oblivious to the present economic condition of the whole world, as compared with eighty years ago, does Mr. MILLS appear! Eighty years ago a country of two or three millions of people might with great propriety have adopted a general protective tariff when men worked singly or in small groups, but with modern appliances it is impossible to make a market that will allow the highest order of and cheap production by a less number than 10,000,000 people, and, furthermore, he has not the slightest realization that an inhabitant of one American State can entertain a brotherly feeling toward a citizen of another State. Whatever sacrifice may come temporarily to the dwellers

in one State in working up to the economic condition of the dwellers in another State, it is still the sacrifice of brethren for brethren and of the same household, and not the sacrifice of the birthright of brothers for the profit of aliens.

#### CLEVELAND'S BETRAYAL OF HIS PLEDGES.

Furthermore, anything is justifiable to a free trader to accomplish his purpose. Never was a baser betrayal of pledges given than the free-trade message and action of President Cleveland contrasted with his pledge given in the following platform adopted by the Democracy in 1884, upon which only could he have been elected:

#### DEMOCRATIC PLATFORM OF 1884.

The Democracy pledges itself to restore economy, \* \* \* but in making reduction in taxes, it is not proposed to injure any domestic industries, but rather to promote their healthy growth. \* \* \* Moreover, many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardful of the labor and capital thus involved.

The necessary reduction in taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country. Sufficient revenue to pay all the expenses of the Federal Government \* \* \* can be got under our present system of taxation from the custom-house taxes on fewer imported articles, bearing heaviest on articles of luxury and bearing lightest on articles of necessity.

And the following from the platform of the Democracy in 1893 was only exceeded in the brutality of its words and the brutality of what it proposed by the agony it brought the American people as they writhed under the hurt of its only partial accomplishment:

We denounce Republican protection as a fraud; a robbery of the great majority of the American people for the benefit of the few. We declare it to be a fundamental principle of the Democratic party that the Federal Government has no constitutional power to impose and collect tariff duties, except for the purpose of revenue only, and we demand that the collection of such taxes shall be limited to the necessities of the Government when honestly and economically administered.

#### PURPOSE OF FREE TRADERS TO REDUCE NORTHERN WAGES.

The proven falsehood concerning the enormous profits of the manufacturer of the North is now no more boldly proclaimed by our free traders than it was by McDuffie in 1832. But the purpose of the free traders to reduce the wages of the workmen of the North is precisely the same, but is not so plainly stated, excepting by a few overzealous, incautious free traders. Read the following words of McDuffie:

[Hon. George McDuffie.]

The truth is that the people of the North will continue to manufacture if the duties should be entirely repealed. The only difference would be that they would have to curtail their enormous profits and reduce the extravagant wages of their labor and sell their manufactures cheaper.

The hyperbole in which the present free trader deals on the wool question would be past belief did we not listen to him, in view of the fact that the tariff on wool and woollens does not increase the cost of clothing at retail to the American purchaser by the smallest fraction in excess of the increased wages the operative in woolen mills received over those of Europe to a tithe of what he states, and in view of the fact, as reported in the Statistical Abstract of the United States for 1896, that the consumption of raw, unwashed wool per capita for each year averages only 6½ pounds and the duty of 11 cents a pound can in no event add more than 72 cents per capita above the extra cost of American labor, which would be only \$2.88 in a family of four, and their earnings would be increased a hundredfold this extra cost. This duty being the 100 per cent talked about, the following words of Hon. William L. Wilson, of January 8, 1894, are a curiosity. How it exhibits the sublime ignorance of a really honest-meaning man:

When the average duty of woollens is 100 per cent, when the laborer must work another full day to pay the taxes on goods purchased with one day's work, these gentlemen are gathering in midwinter, in the greatest city of the country, to "protest" against any lessening of their bounties.

Why, Mr. Chairman, a tariff of 50 per cent means simply that a man must labor a day and a half for that which he can otherwise get by one day's labor. A tariff of 100 per cent means that he must labor two days to get that which he could otherwise get by one day's labor.

[Hon. George McDuffie.]

\* \* \* The benefit which the manufacturers receive from this system may be measured by the damage they will sustain by the repeal of it; and if we are to place any reliance on their statements, they will be great and overwhelming.

While the damage to manufacturers would be overwhelming, it would mean utter destruction of all prosperity to the wage earner.

#### FREE-TRADE DISREGARD OF ACCURACY.

The utter disregard of the accuracy of careful truthfulness of statement of these same free traders is again illustrated by the words of the Hon. D. W. Voorhees, April 12, 1894, disputing the facts of history as known to every man about the Capitol:

The farmer, the mechanic, the wage worker, and the manifold producers of every kind, come not here. \* \* \* Their careworn, sunburnt faces have never been seen in the pulpit or in the hurried, heated, anxious haunts of unhalloved avarice; their hard, toil-worn hands are not grasped or felt in salutation as we struggle through waylaying crowds from committee room to the door of the Senate.



## PROTESTS OF WORKINGMEN AGAINST THE WILSON BILL.

Delegation after delegation of workingmen and farmers haunted the halls of the Capitol, trooping through it in crowds, begging and pleading for a hearing before the committee, or even private interviews with their members, and, with few exceptions, were steadily refused a hearing through the whole period of this disgraceful Democratic legislation of 1894.

Here again are the words of McDuffie, showing that the whole ground upon which free trade was advocated was boldly proclaimed to be that the South, having unskilled and unpaid labor that could not engage in manufacturing, and being employed without wages, was the only logical economic ground of free trade. McDuffie is correct. Protection in a tariff is worse than folly for a country that refuses to manufacture.

This reciprocal exchange of productions [with England] is beneficial to both parties, but most beneficial to us, for the very reason that we obtain the productions of the cheapest labor. In other words, we obtain more value than we give. \* \* \*

"More value than they give," but this "value" is taken from unpaid labor then and underpaid labor in Europe to-day.

I speak of what I know experimentally when I say that if the planters of South Carolina were compelled to pay 50 cents a day for the labor they employ on their plantations, they could not afford to produce cotton for less than 25 or 30 cents a pound.

But why is it that they need this very high and extravagant protection? It is because foreign manufactures are purchased with the productions of the Southern States, and because these productions are produced by slave labor, which is four times as cheap in the operations of agriculture as the white labor of the Northern States. \* \* \* This is the true and only cause why the manufacturers require the Government to interpose its powerful arm to keep down competition.

## WAGES OF NORTHERN MECHANICS TO BE REDUCED BY FREE TRADERS.

Yes, it is unpaid labor in competition with high-wage labor that McDuffie talked of, as it is now the cheap labor of Europe giving an advantage the free trader of to-day longs for, and is the ground of his demanding free trade, refusing his opportunity to do his own manufacturing. Contrast the following words of Mr. McDuffie with those of Hon. Charles F. Crisp and those of Hon. W. C. P. Breckinridge, the fitting representatives and high priests of free trade in this country, only excelled by Hon. R. Q. Mills and Hon. Benton McMILLIN. It will be seen that Mr. Crisp has the courage of his convictions and does not attempt to conceal the fact that what he proposes as a free trader is to reduce the wages of the Northern mechanic. Please notice after his declaration the loud applause on the Democratic side:

Will any gentleman have the goodness to point out what right of the manufacturers I violate when I carry my cotton to Europe, exchange it for manufactures, and bring them into the United States for the purpose of using them myself or of selling them to other people? \* \* \* Competition in the labor market naturally tends to reduce the wages that the laborer receives. The Democrats believe, whether gentlemen on the other side do or not, that the law of supply and demand applies to all things, and therefore that it applies to the wage earner as well as to anybody or anything else. \* \* \* One dollar and a half a day for three hundred days in the year in a market where competition is permitted is infinitely more valuable to the laboring man than \$2 a day for two hundred days with a market where monopoly prevails. [Loud applause on the Democratic side.]

[Hon. W. C. P. Breckinridge.]

Is it unjust for those people to ask that when they come to commute that price, when they want clothing for their children and food in their houses, when they want homes and education, that the price of the things they buy shall not be fixed in a high-tariff, high-wage market?

I am for ultimate free trade. I am for the possession of the oceans by free ships, freed from all the navigation laws which now hamper and embarrass us. \* \* \* Low-priced labor is itself incapable of making a high-priced article; for he who has to buy that fabric of low-priced labor buys an article that is necessarily inferior.

Mr. MARSH. What does my friend think about the costly and magnificent shawls which are made in India? Does he call them a mean and low product?

Mr. BRECKINRIDGE of Kentucky. The gentleman forgets that comparison of price of wage is an element which is of course to be taken into consideration. The very labor which is put upon those fabrics is the highest priced labor in the community in which they are produced, and as to other labor is its superior.

Aha! supply and demand is the Democratic doctrine of labor, is it—supply of European low-priced labor in the form of goods against high-wage American labor; and Mr. Crisp thought to beguile the workingmen by talking about three hundred days' labor at a dollar and a half being better for the workingman than two hundred days' labor at \$2 a day.

## AMERICAN WAGE EARNERS WANT WORK THREE HUNDRED DAYS IN THE YEAR.

This is precisely what the Democrats mean—a reduction by one-quarter of the wages of labor. But what American wage earners propose to have, and to insist on having, and do have, except in the days of Democratic free-trade tariffs, is work three hundred days in the year at the same wages the honorable gentleman would employ them for only one hundred and fifty days in the year.

See how Hon. W. C. P. Breckinridge gives himself away in his reply to Mr. MARSH. "High-priced labor on goods in the community in which they are produced as to other labor" there is superior. Certainly it is. The very finest labor in Germany is the cheapest

labor in Germany, receiving from 75 cents to \$1 in Germany, where it receives from \$2 to \$3 here, producing the same number of units per wage earner there as here.

What a strange question does the Hon. Mr. Breckinridge ask in the following:

If, Mr. Chairman, protection is not intended to enable the producer of the protected article to obtain a higher price for that which he produces than he would otherwise obtain, how does "protection" protect, from what does it protect, and for what purpose does it protect?

It protects the wage earner from having the bread taken out of his mouth by European cheap labor. It protects him by keeping the American market for what he makes.

## PROTECTION DEMANDED TO GIVE US CONTROL OF OUR HOME MARKET.

Free traders will never understand the doctrine of protection. None are so blind as those who will not see. Protection is demanded, not to increase prices, but to give us the control of our own home market for the products of the American wage earner. Free traders have been challenged over and over again to mention a single article in common use that has not been sold at a lower price within a comparatively brief period from the day a protective tariff was put upon it and its manufacture in this country entered upon or on a large scale. They never have done it and they never will do it, because they never can do it. The history of everything, from pig iron and steel rails to wire nails, has shown a tremendous and comparatively immediate reduction under a protective tariff, and of being manufactured in this country, and this while wages were actually increased as the unit of products was reduced in price.

## SENATE REPORT ON WAGES, PRICES, AND TRANSPORTATION.

The Senate report of the Finance Committee in the second session of the Fifty-second Congress on prices, wages, and transportation, made up by the most honest, nonpartisan statisticians in the country, and the statistical accuracy of which is indisputable, being unanimously indorsed by both Democratic and Republican members for its accuracy, shows with wonderful clearness the course of wages and the price of products. It is agreed by all statisticians that all modern estimates the world over are best understood by taking the year 1860 as the base line, calling that 100 and all other years over or under 100, according to ascertained facts as to their being higher or lower than in 1860. The summing up in that report, Volume I, pages 9 and 14, shows that average relative wages and prices of products in coin, taking the 68.60 per cent of total expenditure of wage workers, according to their importance, are as follows:

Years.	Money wages.	Prices of commodities.	Real wages in commodities.	Duties collected per capita.
1840, 1841, 1842	82.2	95.5	86.3	\$1.19
1843, 1844, 1845	84	85.8	98	1.54
1851, 1852, 1853	92	100.5	91.5	2.74
1860	100	100	100	1.68
1870, 1871, 1872	140.8	119	123.3	5.10
1876, 1877, 1878	136.2	106.9	127.4	2.89
1880, 1881, 1882	143.9	107.5	138.5	3.85
1887, 1888	157.3	95.4	164.9	3.64
1890, 1891	168.4	94	179.1	2.66

## Import duties collected per capita in Great Britain in year ending

March 31, 1892.....\$2.53  
Population of Great Britain.....37,879,285

The increase in real wages from 1840 to 1860, fifteen years, 3 cents, only 1½ mills each year; increase in real wages 1860 to 1870, 1871, 1872, twelve years, 23.30 per cent, 1.94 per cent each year, nearly 2 cents; increase in real wages, 1870 to 1880, 1881, 1882, ten years, 12.33 per cent, 1.23 per cent each year, nearly 1½ cents; increase in real wages 1880 to 1890, ten years, 40.6 cents, or 2.931 per cent each year, nearly 3 cents. Notice again that in the whole fifteen years of the Democratic free-trade tariff, wages increased only 2 cents, or as much as they increased in every single year of protection.

## INCREASE OF REAL WAGES UNDER PROTECTION.

So real wages increased 14½ times as fast under the first twelve years of protection as under free trade. On top of this enormous increase they did not rest, but in the next ten years of protection increased nine times as fast as under the free-trade tariff of 1846.

On top of these two increases wages increased in the next nine years of protection 22 times as fast as under the free-trade tariff of 1846.

How do American wage earners like Democratic free trade?

No one who desires to know the real feeling and purposes of the free traders toward the wage earners of the country can afford to omit the careful reading of the following discussion:

Hon. WILLIAM L. WILSON. \* \* \* Mr. Chairman, there is nothing different in the method of procedure on the part of the protected industries of this country from what it has always been in the past, except that with greater power, with the command of greater wealth, with greater influence than ever before, and assisted somewhat by the commercial crisis and hard

times, they are exercising over their own employees a compulsory and bulldozing power that fills the petition boxes of the House with their petitions. [Applause.]

Mr. HENNER of Pennsylvania. I have presented petitions from the employees of the Amalgamated Association under seal, men who have been locked out and are to-day locked out in my district; and certainly they are not coerced [by their employers] in this matter.

Mr. LANE. That is coercion itself.

Mr. WILSON of West Virginia. If locking out is not coercion in the estimation of the gentleman, I would like to know what does constitute it? [Laughter and applause on the Democratic side.]

Mr. DENSON. That is bulldozing refined.

Mr. WILSON of West Virginia. That is exactly what it is. It is a system of bulldozing that is resorted to on such occasions. The manufacturers lock out the employees, and they can afford to do it, because they have accumulated the surplus stock that needs a market, and are falsely and brutally attempting to make men believe that that is done by reason of the pendency of a new tariff bill. [Applause on the Democratic side.]

But, Mr. Chairman, my friend from Pennsylvania does not seem to have heard my statement. I stated that my mail is filled every day with private letters from the workmen in different parts of the country engaged in the protected industries, telling me how they were drawn up like cattle and forced to append their signatures to such documents, and begging me not to suppose that they really signed the petitions in earnest.

Sir, when starvation and calamity and lockouts are in the country, it is not surprising that the poor laboring man who can not wait for his breakfast, while the capitalist can wait for his interest, does some things blindly and quite unreasonably. The virtue of womanhood itself, Mr. Chairman—

Mr. DOOLITTLE. Will the gentleman allow me to interrupt him for a moment?

Mr. WILSON of West Virginia. Go on with the question.

Mr. DOOLITTLE. Do you desire to compare the intelligence of the labor of this country with the intelligence that animated the slave labor of the South prior to the War?

Mr. WILSON of West Virginia. I think nobody above the intelligence of a slave would ask such a question. [Prolonged applause and laughter on the Democratic side.]

Mr. DOOLITTLE. Mr. Chairman, if the gentleman will permit me—

Mr. WILSON of West Virginia. I will say to my friend, before he continues, that I believe I owe him an apology. I desire to be perfectly courteous to every member of the House, and I withdraw what I said.

Mr. REED. But you can not withdraw the Democratic approval of it. [Laughter and applause on the Republican side.]

Mr. WILSON of West Virginia. Mr. Chairman, the virtue of womanhood itself has not always been able to resist the cry of hunger in her own family and of suffering in her own household. And no more could we expect that the honor of honest American manhood in such a crisis as this could always resist poverty and want at its own fireside.

And now, Mr. Chairman, I want to say to these gentlemen who are predicting all these terrible misfortunes and all this destruction of American industry as the result of releasing the American people from some of the taxes they pay to their taskmasters that . . . when the tariff of 1846 was before this House, prophecies of its effect as gloomy, as direful, as threatening as those of Sir James Graham were made upon this floor. . . .

Mr. WALKER. Will the gentleman allow me to ask him one question?

The CHAIRMAN. Does the gentleman from West Virginia yield to the gentleman from Massachusetts?

Mr. WALKER. It is very short.

Mr. WILSON of West Virginia. I do.

Mr. WALKER. I wish to ask simply when this speech will be published, for we want to get it as soon as we can. [Laughter on the Democratic side.] I ask the gentleman when it will appear in the RECORD?

Mr. WILSON of West Virginia. Probably quite quick enough for the gentleman from Massachusetts. [Applause on the Democratic side.]

Mr. WALKER. I ask the gentleman if he thinks that is an entirely fair answer to my question?

Mr. WILSON of West Virginia. It will be published as soon as the gentleman will want it; but to give the gentleman an entirely courteous answer, which I always desire to do—

Mr. WALKER. I think I am entitled to it.

Mr. WILSON of West Virginia. I will say it will appear in the RECORD just as soon as I have sufficient strength to revise the notes and put it in.

Mr. WALKER. I think we are entitled to it at once. [Laughter on the Democratic side.]

Mr. WILSON of West Virginia. You will get it as soon as you will want it.

What an insult to American manufacturers for the Hon. William L. Wilson to say to them:

With free wool the manufacturer only is to blame for not being able to produce cloth as cheap as English and German manufacturers.

With free wool, iron, and coal we will make a market for our goods in all the world.

Better give a man untaxed raw material than untaxed food and untaxed tobacco if all can not be untaxed.

AMERICAN WAGE EARNERS WOULD NOT WORK FOR EUROPEAN WAGES.

Here is the demand of American manufacturers, while paying double the wages that the German and English manufacturers pay, that they sell their cloth, if they have free wool, at the same prices that the English manufacturers and German manufacturers sell their goods for. Are the manufacturers to be insulted by saying that "they are to blame" if they do not sell at European prices with free wool and still pay American wages? He knows, and he has no right to appear in an economic discussion in America if he does not know, that under an absolute free-trade tariff every woolen mill in America would be closed, for the American wage earner would starve before he would work in America for the wages paid in Germany.

A Northern Democratic free trader, in the person of Hon. John C. Black, of Illinois, again proclaimed the doctrine that American wages should be brought into direct competition with European wages. He did not conceal the fact that he knew that in such a case the wages of American workmen must be practically reduced to the European level, in the following words:

The strongest reason that has induced this unprecedented immigration, that which has been the mainspring to all this, is the false and alluring cry,

dinned in the ear of the laborer, formerly contented in Europe and elsewhere, that here he could have higher wages.

Mr. REED. Then the gentleman favors an equality of wages between this country and others from which we have immigration?

Mr. BLACK of Illinois. That is not a fair way to put the question.

Mr. REED. You can make it fair in answering.

Mr. BLACK of Illinois. I make answer by the removal of the artificial means by which we create a fictitious value of the article of wages, and let wages have its natural level, as it does elsewhere.

I would restore a natural condition of affairs by taking down the protective system, which pretends to give higher wages here than otherwise would be given.

The following discussion between Hon. NELSON W. ALDRICH, of Rhode Island, and the Hon. John M. Palmer, of Illinois, fairly represents an honest protectionist, and an honest free trader who does not hesitate to state the fact that he is not willing to enter upon any legislation, as the free traders in effect do if they have not the courage to state it, that will have any tendency to protect American wages from being reduced to the European level.

[Congressional Record, Fifty-third Congress, second session, May 15, 1894, pages 5681, 5682, 5683.]

Mr. ALDRICH. . . . If Senators upon the other side are willing to admit the principles . . . fairly set forth in the Democratic platforms of 1863 and 1884; if they are willing to come to an understanding that duties shall be imposed that are equal to the difference in the cost of production between our own and competing countries, a difference which grows out of the greater earnings or the wages of labor here, then we shall be glad to meet them and make an agreement which would really take the tariff question out of politics. Are they willing to do that? . . . Why not make it equal to the exact difference in the cost of production? . . . Otherwise the cost of production must be reduced in the United States . . . by decreasing wages below their present point. It can be done in that way, and in that way alone.

Mr. PALMER. . . . What is the claim set up by those who advocate protection? It is that we can give to the country prosperity and we can give to labor steady employment.

The Senator understands . . . that Congress must in some way in the passage of the pending bill see to it that labor is provided with employment and with remunerative wages. That is the work he has undertaken. . . . Who . . . pays all these wages that we are talking about? Where does the money come from which the Senator from Rhode Island [Mr. ALDRICH] intends shall go into the pockets of labor? Who is to furnish the money? . . . Where does it come from? . . . Somebody must furnish the money to pay those remunerative wages. Who does this? It is obvious I do not; and we do not propose to furnish it. It must fall somewhere. Upon whom does it fall? That is one of the difficulties of this subject—you can not tell upon whom it falls. . . . Protectionists . . . say: "Adopt our policy and we will give to labor fair wages;" but I insist as answer to that proposition that you levy upon somebody else. I myself claim no power to take the control of the property of my country and appropriate it to any special use. If they [the manufacturers] choose to be benevolent, let them be benevolent with their own. If they can not carry on one business profitably let them engage in some other. . . . There is no prospect of maintaining high wages for agricultural laborers. . . . They are never taken into account in all these schemes for high wages.

Mr. ALDRICH. I beg to ask the Senator from Illinois to return to the subject now under consideration by the Senate. . . . I stated that I was desirous of levying duties in the bill which would so far as possible equalize the difference in the cost of production of those articles in this and in competing countries, so far as that difference grows out of the greater earnings and wages paid to people engaged in these and collateral industries in the United States.

Now, is the Senator from Illinois willing to go to that extent? . . . Mr. PALMER. I am not.

#### THE PARTIALLY PROTECTIVE GORMAN BILL OF 1894.

The reason that every mill was not closed under the Democratic tariff of 1894, or wages reduced by one-third to one-half, was because the Wilson free-trade bill as it left the House was made into the partially protective Gorman bill in the Senate, as was proclaimed in the Senate by Hon. ROGER Q. MILLS on May 8, 1894, as follows:

Mr. MILLS. . . . No man can torture me into the admission that the bill pending before this body is in any respect a response to the pledges made by the Democratic convention to the Democratic people of the United States. . . . I am humiliated enough, sir, . . . without being compelled to bow down in humiliation and take even the badges of protection. . . . The Democratic party in 1892, through its convention, said to the people of the United States that protection was a fraud. . . . I am not responsible for these measures, and I do not intend to assume the responsibility.

Hon. George McDuffie, in his speech, boldly proclaimed that free trade would ruin New England and the North, and the Hon. Charles F. Crisp and the Hon. BENTON McMILLIN say scarcely less in the following:

[Hon. C. F. Crisp.]

The system has grown a ring each year, until those who have fostered it think that it can not be cut down except by violence and with the ax.

[Hon. Benton McMillin.]

Sir, let come what will, we will reduce this tariff to a revenue basis. . . . We will discharge the high trust that has been reposed in us and bring the country back to that era of prosperity which it had attained, and under which alone it reached the great success that it had from the adoption of the Walker tariff in 1847 down to the repeal of the law. This war against tariff revision has been carried on for the benefit of the few at the expense of the many.

#### FREE-TRADE TARIFF OF 1847 PRODUCED DISASTER.

Yes; and Mr. McMILLIN clearly says he desires the results of the Robert J. Walker tariff of 1846, that gave us the most disastrous



crisis in 1857 that this country ever saw, as every unbridled rule of the Democratic party in this country has brought a crisis and destruction in a comparatively brief period.

Civilization consists of and is expressed by the things that men can do. The skill and rapidity with which they do them and their excellence in doing them and their assisting others by protective tariffs to do them is the very expression of Christian civilization.

#### ENGLAND ONLY A HUGE WORKSHOP.

It has been so declared by every wise statesman of this and of every other normal nation. England is no exception. She is not a normal nation. England neither produces the raw material for the hands of her wage earners in her factories and workshops, the food for their mouths, the clothing for their backs, nor the shelter for their heads. Nearly all is sent her from abroad. England is only a country of huge workshops.

It is clearly understood that a diversification of industries within a comparatively small and fairly well populated territory is necessary, in order that all the people in the territory may partake of the advantages of civilization. When the Southern statesmen of 1832 proclaimed their doctrine of free trade and tried to force it upon the whole country, they were thoroughly consistent. They proclaimed that they not only had in their section no industries but planting, and wanted none, but that their laborers received and should receive no wages. They were determined never to have any manufacturing industries, never to have any civilized conditions in their country excepting to the exceedingly few persons living there who owned the laborers.

#### FREE TRADE AND SLAVERY GO TOGETHER.

This is no reviving of disagreeable memories. It is but the simple statement of a fact in economics. A protective tariff for such a people in such a country would be the very acme of folly. It would only exceed the folly of their children of to-day who adhere to the same free-trade system in exactly opposite conditions of wage labor. Their advocacy of free trade to-day is as clear evidence that their heads are befuddled with ancient and exploded theories as the proclamation by McDuffie and their fathers of free trade in 1832 showed them the wisest of statesmen, if master and slave were the normal condition of the Christian white man and Christian black man. No man in listening to these words of truth and soberness can regret their truth or can regret the necessity of uttering them more than I who utter them, but "truth is truth as God is God," and to falter would be sin.

The following words of McDuffie are as true as truth of Holy Writ, as were all his words in his defense of the economic position of master and slave:

What is the aggregate effect of the whole protective system on the two great subdivisions of the Union—the planting and the manufacturing States?

It is precisely as if the taxes collected in one country were disbursed in another; and I will venture the opinion that if the taxes raised in England for the last twenty years had been disbursed on the Continent the whole island would have been at this moment a desolate waste.

What mockery in the following words of the Hon. BENTON McMILLIN, after the threat of a free-trade tariff in the election of Grover Cleveland in 1892 had wrought havoc with the mills all over the country! Standing upon the ruins that he himself and those like him had wrought, and gloating over them, he taunts the manufacturers who are watching their idle mills and their starving operatives, who had found employment and plenty in them, and many of them their own kith and kin. Mr. McMILLIN said:

Mr. Chairman, . . . after trying this system for more than a quarter of a century, it is well for us to turn and ask how you like it? All that protection could do has been done to protect and secure the home market. Still manufacturers have failed. Still industry languishes. . . . Where is that universal prosperity that was promised to extend all the way from the Atlantic to the Pacific and all the way from the Lakes to the Gulf? Where are those splendid wages that it was said would be paid? . . .

On their closed doors to your great woolen mills is posted the uncertain time when they will open. Or if they are engaged in work at all, you will find that the laborers have been brought back to their looms at reduced wages. Go to our cotton mills. There you will find also a portion of them closed, notwithstanding they have free raw material. . . .

Do the wheels of industry hum with the animation of active life? Are our furnaces heated? Are our factories running? Are our great manufacturing establishments giving day and night or even day employment to their laboring men? Are the cities where manufacturing establishments are located prosperous? Are the people happy and contented?

#### THE SHAME OF CLEVELAND'S ADMINISTRATION.

The following words of the Hon. Joseph H. Choate, at Cooper Union, March 28, 1894, were more than merited:

I perceive the difficulties the President is experiencing in trying to drive the solid South and Tammany Hall without getting thrown himself out of the car. The shame of his Administration . . . is in permitting the South to wreak vengeance on the North. They are trying to give us that four-footed wild beast, that Democratic "what is it," generally known as the Wilson tariff bill.

Again, listen to Hon. George McDuffie, in taunting the New England agricultural laborers, echoed in this Hall by the free traders of to-day:

I am prepared to maintain before any tribunal of New England farmers . . . that it would be impossible for New England to carry on with old

England a commerce consisting of an exchange for the manufactures of the latter, when it is known that the price of agricultural labor is much higher in the Northern States than in any part of the European world. Does any one suppose that gain can be produced by such labor?

. . . dealing with England . . . manufactures could be . . . obtained and sold by the labor of the South cheaper than they could be obtained and sold by the labor of the North.

Nothing could be more unjust than to charge these free-trade Democrats with desiring the destruction of the industries of New England and the Northern States to-day, and yet the effect of their words and of their legislation has been proved to have accomplished it. If they would study the facts of the census of the United States and of every trade journal in the country, or listen to the words of absolute truth of their countrymen who are in a position to know, they would know, precisely as McDuffie showed that he knew, what destruction their free-trade tariff would work, as it always has worked to all the industries of this country, agricultural as well as every other industry, as I will show in due time.

Listen again to the words of Mr. McDuffie:

The great and patriotic ground upon which they [protective duties] are levied is that it is deemed quite injurious to the wealth and prosperity of the free States of the North that [England] should undersell their manufacturers. . . . These duties are therefore levied. . . .

This bill would impoverish and desolate the manufacturing States! What, I pray you, would be the effect of a dissolution of the Union on their prosperity? . . .

It will not do, therefore, to show me, however clearly, that the passage of this bill will destroy your interests and desolate your country. . . .

I admit, sir, that this bill, should it pass, will do very great damage to the manufacturing States.

#### THE SOUTH BECOMING A MANUFACTURING PEOPLE.

The desolation that he prophesied to the manufacturing States has always come to them under Democratic free-trade tariffs, as he knew it would, and every other well-informed statesman knows that a free-trade tariff will surely bring it. The only hope of the South is that she abandon free trade and that she become a manufacturing people, as she is now fast becoming, notwithstanding the bourbonism of too many of her representatives on this floor.

The antagonisms of the different sections of the country and the determination to perpetuate them, and, in fact, the necessity of their being perpetuated if the laborers of one section were to receive no wages and the laborers of another section were to receive high wages, is clearly shown in the following quotation from Mr. McDuffie:

Suppose that the people of the South made these goods by the use of machinery in the same manner as they are made in the North. . . . would you have precisely the same right to contend that free manufacturing labor at one dollar a day could not compete with slave labor at one-fourth of the price, and upon this ground claim a protecting and discriminating excise duty of 40 or 50 per cent?

. . . The Southern States of this Union are reduced to a condition strictly and to all intents and purposes colonial, under the dominion of the manufacturing States; a condition incomparably worse than that from which our forefathers released themselves by the Revolution. . . .

. . . The Southern States are sinking under a weight of oppression that no free people on earth has ever endured so long.

At the close of the late war with Great Britain everything in the political and commercial changes, resulting from the general peace, indicated unparalleled prosperity in the Southern States and great embarrassment and distress to those of the North. . . . On the other hand, the prospects of the Northern States were as dismal as those of the Southern States were brilliant. . . .

But where are now those cheering prospects and animating hopes? Blasted, sir, utterly blasted by the consuming and withering course of a system of legislation which wages an exterminating war against the blessings of commerce and the bounties of a merciful Providence, and which, by an impious perversion of language, is called "protection!" . . .

And where, sir, are the dismal prospects of the Northern States? The same power which has blasted the fair prospects of the South has, by the same act, brightened those of the North. . . . [There] you behold the most animating spectacle of cities, towns, and villages rising up like "bright exhalations," and as if by magic, throughout the whole region of the manufacturing States.

#### THE WORK OF THE DILIGENT BRINGS PROSPERITY.

The facts are that the prosperity that was to come to the South because of its system of unpaid labor—which was clearly proved to be its right by a priori reasoning—did not come and never does come to any people where the laws of man and God are violated in their economic condition. But prosperity did come to the North, and Mr. McDuffie, feeling that a portion of the profits of the unpaid labor of the South was shared by the North through the system of protection, was determined, as are his political descendants to-day, to deprive the North of its prosperity, that the South might reach the whole of what they felt to be their every advantage from its unpaid labor conditions. Notwithstanding the passing away of the conditions of unpaid labor which created the feeling above expressed by McDuffie, his descendants in economics, the free traders of to-day, are unwilling to pursue the same methods that are pursued at the North, and which would inevitably bring to them the same prosperity that the North enjoys. But instead of building up their own section by manufacturing, the means employed in every Christian country, they would destroy the work of the hands of the diligent, which always brings prosperity to every country—a hundred years' work.

#### PROTECTION HAS ALWAYS BROUGHT LARGER LIBERTY.

It sounds strangely in the ears of one familiar with the means that have been taken by the enactment of laws to secure justice

to the workmen of this country in developing its industries to hear the denunciations of an economic policy which is adopted by every country in the whole civilized world. The strangest part of the whole performance is that it is constantly upon their lips that they are seeking the larger liberty of the people, when every fact in economic science and every revelation as to the advance of the country in our census reports show that the policy of protection has always brought larger liberty in a larger prosperity to our wage earners, and the tariffs of the Democratic party have always brought idleness and adversity; and furthermore, to see how the sayings of the free traders of to-day are identical with those of 1832, as follows:

[Hon. George McDuffie.]

They [the Southern States] do not ask the Government to give them aid of any kind. They only ask that it will let them alone while honestly employed in the pursuit of happiness.

It is justice, and not interest, that consecrates the struggles of men and of nations.

[Hon. Charles F. Crisp.]

The gentleman belongs to that class who believe that by a system of taxation we can make the country rich. \* \* \* He believes that it is possible by tax laws to advance the prosperity of all the industries and all the people in the United States.

The Democratic idea of an American system is the largest liberty to all the people consistent with the individual rights of every person. [Applause on the Democratic side.]

[Constitution of the Confederate States, Section VIII.]

1. \* \* \* No bounties shall be granted from the treasury; nor shall any duties or taxes on importations from foreign nations be laid to promote or foster any branch of industry.

[Hon. H. G. Turner, May 10, 1863.]

Against this exaction, known under the specious name of protection, I protest to-day. I impeach protection of high crimes and misdemeanors.

[Hon. R. Q. Mills, May 7, 1890.]

When you leave the House and Senate with this enormous load of guilt upon your heads and appear before the great tribunal for trial, may "the Lord have mercy on your souls." [Great applause on the Democratic side.]

[Hon. George McDuffie.]

The same delusion, sir, which converts the military murderer into a hero converts the legislative plunderer into a patriot.

But legislation \* \* \* is the most powerful of all plunderers, and whenever restrictions or taxes confer wealth and prosperity upon one portion of the Union it necessarily follows that an equal or greater amount of wealth and prosperity must be taken from some other portion.

[Hon. Charles F. Crisp, May 8 and 9, 1890.]

Our merciless tariff system does not create wealth; it only prevents its natural distribution; it takes from the many to enrich the few. Never until recent years have there been built up in this country such immense fortunes as exist now.

If we can collect our duties or taxes from the foreigner, \* \* \* we will raise millions by taxing the people of foreign countries, reward every domestic industry with any amount of bounty they want.

[Hon. George McDuffie.]

\* \* \* Legislation can exercise no creative power in the way of producing wealth. No legislator has yet discovered the philosopher's stone, and magic is not one of the powers conferred by the Constitution. Hard work, patient labor, these are the only agents, under Providence, by which wealth can be created.

But \* \* \* legislation \* \* \* is the most powerful of all plunderers; and whenever restrictions or taxes confer wealth and prosperity upon one portion of the Union, it necessarily follows that an equal or greater amount of wealth and prosperity must be taken from some other portion.

[Hon. C. R. Breckinridge, January 30, 1894.]

The despotisms of Europe dare not fasten the burdens of taxation upon the poor to the extent that we do. What they dare not attempt by force we achieve and surpass by fallacy and delusion.

OUR POLICY IS TO KEEP OUR HOME MARKET.

These declarations are proven to be the exact opposite of every fact of American history. A comparison of the results of the Gorman-Wilson tariff, which was not half as disastrous as would have been the Wilson tariff pure and simple, is shown by the following statement, taken from the Statistical Abstract of 1896, which proves to any candid man that the policy of this country is to conserve, protect, and keep to ourselves our home market, which a free-trade tariff turns over to foreigners, to the detriment of our own people.

EFFECT OF THE WILSON-GORMAN TARIFF ON THE FARMER.

And the farmer is equally interested with the mechanic in the protection of our home market. The value of the home market to the farmer is nowhere shown any more conclusively and the Democratic free-trade assertions more conclusively proven untrue than by the United States Treasury Statistical Abstract. The consumption of our farm products by our people reached its maximum in 1892. Passing over 1893, the year of the panic, and taking 1894, it shows that more than 51 per cent more pounds of our raw cotton were consumed by our own people in 1892 under the Republican tariff than in the year 1894 under the threat of a Democratic free-trade tariff; that more than 73 per cent more wheat was consumed by our people in 1892 than in 1894; that more than

33 per cent more corn was consumed by our own people in 1892 than in 1894; that more than 32 per cent more pounds of wool were consumed in 1892 than in 1894.

On top of this curtailment of our market in reducing the power of our people to buy and consume the products of the farm because of the threat of free trade in the process of enacting the Gorman-Wilson free-trade tariff in 1894, our total exports of domestic merchandise to each man, woman, and child in the land were 23 per cent more under the Republican protective tariff in 1892 than under the Democratic free-trade tariff of 1894. Not only this, but our total imports were also 32½ per cent more in 1892 than in 1894. Thus does the mere threat of and the process of enactment, much more the actual operation, of a free-trade Democratic tariff destroy our own market by closing factories and making people idle so they can not earn wages to buy either home products or imported products.

The statistics of this country prove to any man who is not absolutely blinded by free-trade theories that to increase our foreign trade we must have a protective tariff in order to make our people prosperous in an opportunity to earn the money to buy imported goods as well as domestic goods.

INCREASED COST OF COLLECTING REVENUE UNDER A DEMOCRATIC TARIFF.

We must add to this most terrific condemnation of a Democratic free-trade tariff, by the cold facts of our statistical bureau, that it costs 37½ per cent more to collect the revenue under the Wilson-Gorman free-trade Democratic tariff than under the McKinley Republican protective tariff. Great as was the falling off in the consumption of agricultural products, the consumption of manufactured products fell off very much more under the threat of the Democratic tariff of 1894 than the falling off in the consumption of the products of the farmer from 1892. Markets are in the total volume of wages paid, and not in the numbers of people. The loss of employment of the artisan and laborer hurts the farmers first and most of all classes in the community.

EXTENT OF THE AMERICAN MARKET.

In normal protective-tariff conditions, such as 1892, it is stated by Mulhall that the production and consumption of the manufactured products in the United States is one-third of that of the world. The inhabitants of the world are given as from 1,400,000,000 to 1,500,000,000; our country as 70,000,000. This fact shows that the market of the 70,000,000 of people in this country in the high wages and incomes they average to receive is equal to one-half of the people of the rest of the world, or 700,000,000 of average people. Of wheat, corn, cotton, and wool we consumed 47 per cent more in 1892 than in 1894. In 1892 our market equaled 700,000,000 under the Republican protective tariff. The Democratic free-trade tariff practically reduced our market in 1894 to the equivalent to 371,000,000 of the average people of the world. We know this by the official figures I have given of our Treasury Department, made by a most accomplished statistician, but an earnest free-trade Democrat as well, that including manufactured articles, of which, proportionately, less are consumed in the hard times than of the absolute necessities of life, our home market for the products of the farms was 47 per cent, and for all products reduced much more than that by the Democratic free-trade tariff of 1894 from that of the Republican conditions of 1892, as has been before stated.

CONCLUSIVE ANSWER TO THE FREE TRADERS.

This is our conclusive and overwhelming answer to the question of free traders, "Where is the market you promised us under a protective tariff?" and to all the assertions of free traders in their protest against a protective tariff which never one of them supports by a single public record of undisputed fact, while protectionists invariably support their assertions, as I am now doing, by public records and incontestable proofs. Bold assertions of transparent untruths is the vital breath of the free trader, based sometimes, their enemies say, in malignant envy and hate of successful labor and enterprise. The Democratic free trader always proceeds upon the assumption "that nature wants no more than nature needs," and that "man's life is as poor as a beast's." These free traders assume that the life of the wage workers should be as poor as beasts', in that they assume that man's ambition is to spend as little as possible and sustain an animal life, when the economic fact in man's condition is that he expends as much as he possibly can. Men will lie awake a hundred hours and devise a hundred ways of spending every dollar they can get where they will lie awake one hour to devise a way to save a dollar already earned or that they have the promise of earning.

MONETARY CONDITION OF 1892.

It will not do to lay the trouble of 1894 to monetary conditions for they were precisely the same in 1890, 1891, and 1892 that they were in 1893 and 1894, unless they were improved, as the Democratic free traders insisted they would be, by the repeal of the purchasing clause of the silver act of July 14, 1890, on November



1, 1893. The trouble began in the threat of the immediate enactment of a Democratic free-trade tariff in the election of an avowed free trader in November, 1892. While the ultimate result of the continued purchase of silver would have been disastrous ten to twenty years hence, there is not the slightest evidence that the destruction of 1893 would have then come. But it is a fact that in the monetary conditions existing when a Democratic free-trade tariff was made certain in the election of 1892 the soil was especially prepared to make the fruit of the Democratic free-trade seed to spring up in a night, as did Jonah's gourd. The panic of 1893 surely was the fruitage of Democratic free-trade seed, Mr. Chairman, and every candid, thoughtful, unprejudiced statistician and economist the world over can but admit the fact, in view of these incontrovertible statements, that the words and deeds of the apostles of free trade in 1892 and of their descendants in the present day, which they are constantly repeating under opposite labor conditions at the South, are bearing their legitimate fruit. Truly "the fathers have eaten sour grapes and the children's teeth are set on edge." Nothing shows the absolute blindness of the free traders to the best interests of the country more than the following:

[Hon. Benton McMillin, May 8, 1890.]

In my own State the coal, iron, and limestone lie in sight of each other. Cotton or blue grass may be grown on the land. The cotton raised may be manufactured with the water power at the field. There, for hundreds of miles, is a mild climate, producing every agricultural product needed, teeming with population.

#### OPPORTUNITIES DESPISED.

Words of a purblind prophet of evil! How much better does he, wandering over this untold wealth of his native State, which is only waiting to yield itself up to the hand of the diligent, than the Indians who wandered over it before him? They were excusable, for they knew not of it. But who shall answer for him and the like of him? What would his State now be had he and his used the opportunities a protective tariff has pressed upon him for a century? What would Tennessee now be had the same industry, thrift, and intelligence been displayed by her people that has wrung wealth from the unfriendly soil and climate of New England?

But his people are not all deaf or blind. There are many towns in the South, and, in fact, all over the country, that are applying the principles upon which a protective tariff is based in offering to remit the taxes upon the plant and capital of any man who will establish manufacturing in their town, and to also furnish capital, in some cases, because they know that it is only by diversifying industries and promoting manufactures in conjunction with agriculture by nominally but not really unequal taxation in a country without manufactures that the people can make faster progress in civilization and in culture.

#### THE OPPORTUNITY TO EARN BRINGS PROSPERITY.

Take any territory of 3,000 people wholly devoted to agriculture, and build a factory in its center, giving employment to 300 workers of that population, each averaging to earn \$300 per annum, or a total of \$90,000 per annum, and the 2,700 remaining will produce more of corn, oats, wheat, barley, potatoes, and of all the agricultural products they were before raising, because of the factory bell, and will have the \$90,000 besides. Everyone will be more enterprising and in a happier condition because of the community receiving the \$90,000 more than it previously received. Of course they will spend this much more in houses and improvements, in their lands and clothing and a higher grade of food, clothing, and houses, cultivating flowers—in everything that ministers to a higher civilization. Furthermore, there is no possible way that this \$90,000 can be spent except in buying things that set 300 more people to work earning another \$90,000, and they 300 more, and so on to the end.

It is calculated that any man idle costs somebody \$1 a week. Deduct this from the increased expenditure, and it is shown by very careful estimates that each 1,000 people set to work, by employing others in spending their money, before the increased employment ends it gives employment to 9,000 people, and so when a Democratic free-trade tariff throws a thousand people out of employment and stops their purchasing power by \$300,000 in lessening the market, before it ends it ultimately reduces the market in throwing people out of employment \$2,700,000.

#### EXPERIENCE DISPUTES FREE-TRADE THEORIES.

While this statement is theoretical—but every statement of the Democratic free traders is—its probable truth is shown by the figures given in the Statistical Abstract in the reduction of our market by the Wilson bill, and is in accordance with the experience of every community in which a new factory is erected, while the theories of the Democratic free traders are disputed by the experience of every community on the face of the earth as regards manufacturing industries in conjunction with agriculture.

The following declaration of the Hon. George McDuffie is echoed in every Democratic free-trade speech:

The protecting duties are oppressive and unequal taxes upon the productions of the planters, imposed for the purpose of giving bounties to the manufacturers.

The tyranny of a protective tariff and its favoritism is exactly the tyranny and favoritism enforced in all economic law. Where a section of a country or a part of the people only avail themselves of great natural advantages at their hands, or of legislation to secure the benefits which may be had from them, they suffer accordingly. There is nothing so destructive of old investments and no such tyranny as the tyranny of new inventions in the hands of those who use them upon those who adhere to the old conditions and refuse to use them. The cotton gin used by the enterprising planters made the success of those who refused to use it impossible.

#### THE TYRANNY OF INVENTIONS UPON THOSE WHO REFUSE THEM.

The McCormick reaper in use in the great wheatfields of the West has been a fearful tyranny upon farmers who refused to use the machine upon their farms; and so with the mowing machine, the horse rake, and the hay tedder. The turnpike, the railroad, and the steamboat, in their use by those who believe in using such modern inventions, are a fearful tyranny upon those who still adhere to the mules and the farm wagon to take their crops to a distant market on dirt roads. The sewing machine, the telegraph, the telephone, and the typewriter are instrumentalities of oppression beyond measure to those who neglect or refuse their use. The public school makes a disparity that can not be measured between the children of those parents who use it to advantage over the children whose parents keep them from its great advantages.

A protective tariff which puts a duty on articles high enough so they may be produced in this country at American wages in competition with the low wages of Europe makes it possible for every man with sufficient capital, skill, and enterprise to enter into that business to better his condition and that of his town, county, and State. It gives the opportunity to every American wage earner competent to work for him to get work in the factory established, whether it be South or North, East or West, in Massachusetts or South Carolina, Minnesota or Alabama, Georgia or Nevada.

#### PROTECTION BENEFITS EVEN THOSE WHO DENOUNCE IT.

Furthermore, as I have before shown, it does benefit, and tremendously benefit, even those sections that refuse to avail themselves of its advantages in making a market for their products by increasing the consumption, and therefore the price of products many times more than the price of the articles the farmer buys is increased by the tariff, even admitting that they are increased, which is not the fact, on the whole; while no Democratic free trader has ever yet answered the challenge of protectionists, ringing in their ears for a century, to show a single article on which a protective tariff was placed and the production of that article largely entered into in this country where the price of the article has not been materially reduced by home competition. So the protective tariff is not an injury even to those persons and those neighborhoods that do not avail themselves of the advantages a tariff offers as does a water power or mineral deposits. The prices of articles to the people in those sections that paid no wages to the toilers from 1832 to 1860 were not increased at all, but were reduced, by the effect of the protective tariff in stimulating manufacturing in this country in competition with England.

#### "THE HAND OF THE DILIGENT MAKETH RICH."

The divine right of those sections of the country that refused to avail themselves of the advantages of modern civilization that would have been brought to them by education of the hand and head of their people in manufacturing pursuits is the same divine right to complain as the aborigines in this country have who wandered over its fertile soil, its rich coal mines, iron mines, copper mines, lead mines, silver mines, and gold mines beneath their feet, never availing themselves of the great advantages which were at their hand. Not the hand of one who hesitates, complains, and waits, but "the hand of the diligent maketh rich;" the diligence of the head to plan and discover as well as the diligence of the hand to execute.

#### DEMOCRATIC DENUNCIATION OF MAJORITY RULE.

Listen again to the words of the Hon. George McDuffie:

\* \* \* The late Emperor of France \* \* \* [n]ever levied military contributions from the subjugated nations \* \* \* more intolerable and oppressive than this irresponsible majority have levied from the productive industry of the planting States to gratify the insatiable avarice of this manufacturing confederacy.

It is a monstrous heresy to suppose that a majority has any natural right to govern merely because it is a majority. This right is purely conventional.

I mean not to cast any special reproach upon the manufacturing confederacy, which constitutes the existing majority in this country; I speak nothing but the plain truths of philosophy when I say that on such a question as that which we are now considering they can not, in the nature of things, have any more sense of moral responsibility than an infuriated mob.

There is the same unreasoning denunciation of the "irresponsible majority" and protestation against the only principle upon which any republican government can be maintained, namely, that a majority shall rule, in the speeches of the Hon. Charles F. Crisp

and the Hon. Henry G. Turner, of Georgia, of the Hon. BENTON McMILLIN, of Tennessee, and of the famous Breckinridges from Kentucky and Arkansas in 1894 that there was in the words of Hon. George McDuffie in 1833. That voice has been heard now these sixty years. It is the same tyrannous demand of a minority to rule who, representing people who will not avail themselves of the advantages at their hands, denounce the great majority who are using every advantage of modern civilization and enlightened legislation. A strange doctrine for pretended Democrats to proclaim—to denounce the deliberate, conscientious, and honorable action of the majority as the "action of an infuriated mob."

#### THE TARIFF ON DRAFT ANIMALS.

The Hon. Henry G. Turner, of Georgia, was exceedingly disturbed at a specific duty of \$30 per head on mules and horses. He could import a mule from Mexico for less than \$10. This duty protected all of the enterprising Northern farmers along the thousands of miles of division line between Canada and the United States in the industry of breeding horses and mules. And he and his confreres in free-trade sorrow represented States which rent some of their richest lands for pasturing at 3 cents an acre, upon which mules could be raised at a cost of not exceeding \$5; and yet, because they have not the thrift and enterprise to do so, they would deprive all the rest of the country of the advantages of a tariff on live stock to protect the whole body of American farmers.

Mr. Turner said:

Mr. Chairman, \* \* \* the specific duty of \$30 per head now existing looks grotesque when applied to a Mexican mule worth less than \$10. With unsparing hand we have degraded the Texas mule to the vulgar level of his Dakota kindred. Such is the unsectional and impartial effect of taxation fixed according to value.

#### THE PROSPEROUS FARMER.

The census shows the American farmer to be the most prosperous class in the country. It shows that the number of farms in this country is about 5,000,000, which, with their improvements, are valued at about \$13,000,000,000. The total of all farm mortgages is \$1,000,000,000, or about 8 per cent of the total of their valuation. The average life of a mortgage is a little less than five years. A comparatively small percentage of the mortgages on Western farms are held in the East. Two-thirds of all the mortgages are held by persons residing in the States in which the mortgages are, and less than one-third by residents of other States. The rate of interest on farm mortgages varies from about 5½ per cent in Massachusetts to 7 per cent in the newer Middle and Western States, rising to 10 per cent in the recently settled States and Territories.

By the figures as to mortgage foreclosures it is shown that the farmers were 80 per cent better off in 1890 than they were in 1880, there being only one-fifth as many mortgages foreclosed in 1890 as in 1880. The farmers who pursued mixed farming, raising cattle, hogs, sheep, corn, wheat, etc., are almost invariably prosperous and gradually getting well off. It is reported from some counties in the country that not 2 per cent of these farm mortgages are foreclosed, and a very large percentage of the foreclosures are upon farms devoted exclusively to one crop, as wholly to cotton or to wheat.

#### FARM MORTGAGES.

The farmer has had his full share in the increased wealth of the country with every other class, and especially in the lessened rate of interest on mortgages. As a class, they have not given mortgages because they were poor or growing poorer, but in order to extend their business. Of the mortgages given, 77.38 per cent were for money to purchase more land or to improve the land they then had, and about 9 per cent for durable personal property. It is shown that only 2.8 per cent was borrowed to meet farm or family expenses. In investigations in Michigan and elsewhere, where the figures in such things would be far under the more Western States, it is shown that of 31,570 farms owned by men of foreign birth who immediately settled in Michigan—

The farmers brought into this country.....	\$4,633,188
They owed on mortgages.....	11,191,714
<b>Total.....</b>	<b>15,824,902</b>
The assessed valuation of their farms was \$52,537,871.	
The true valuation of their farms was.....	65,672,393
Showing that they had accumulated in a comparatively few years.....	49,847,431

Besides this great gain, they own all their stock, tools, and other personal property; and this represents the true condition of things in every State in this Union of States of average productive soil.

The impression that farmers are not "the most prosperous class in the country" arises from brief periods of short crop, or the misfortunes of comparatively few individuals and few neighborhoods, or where land is so unproductive it never should have been taken up.

So much for the protective tariff from 1860 to 1892 in "impoverishing the farmers and planters—robbing and oppressing them." The farmers everywhere are "robbed and oppressed" by their own conduct when they refuse to avail themselves of every invention of machinery to till their lands and to invite factories to be established among them, and as they are by idleness or slovenly methods of preparing their lands and putting in and cultivating their crops.

#### HOW PROTECTION HELPS THE FARMER.

In answer to Mr. Crisp's question—

Will you tell me how your protective tariff benefits the man who raises cotton, or corn, or wheat, or meats? The producers of these great staples are forced to seek their market abroad.

As he is the exponent of Democratic free traders, we would refer them to the statistics already given of the diminishing consumption of farm product in 1894 under the threat of free trade as compared with 1893 under a protective tariff. Furthermore, the trade of the country, both foreign and domestic, has languished under every free-trade Democratic tariff from 1832 to the present time, and it has thrived and increased under protection. Republican protectionists would most respectfully refer Democratic free traders to the following exhibit, giving official figures from the census of the United States, proving beyond all peradventure "how protection helps the farmers to sell their products abroad as well as at home."

Animals in the United States at each census and number per 1,000 of population.

	1860.		1870.		1880.		1890.	
	Number.	Number per 1,000 population.	Number.	Number per 1,000 population.	Number.	Number per 1,000 population.	Number.	Number per 1,000 population.
Cattle.....	25,610,019	814	23,830,906	617	35,925,511	716	42,801,907	683
Swine.....	33,512,867	1,003	35,134,609	832	47,081,700	950	51,612,790	824
Sheep.....	32,471,275	714	38,477,031	738	35,192,074	701	44,330,072	707
Mules.....	1,151,145	36	1,135,415	29	1,812,806	36	2,331,027	37

#### SHEEP.

Sheep have remained nearly the same in number per capita at each census for forty years.

#### MULES.

It will be seen by the above table that the number of mules to each 1,000 of population in 1870 was less by 47 per cent than in 1860, probably caused by the civil war, but reached the same number per capita in 1890 and remained the same at 1890.

#### CATTLE.

The cattle per capita were 24 per cent less in 1870 than in 1860. In 1890 there were 11 per cent less cattle than in 1860, and less by 16 per cent, or one-sixth less in number, in 1890 than in 1860.

#### SWINE.

It is still more remarkable that the farmers should also allow the hog product to decline, thus losing both of the two most profitable farming industries.

Swine fell off from 1860 to 1870 by 30 per cent per capita.

Swine fell off from 1860 to 1880 by 11 per cent per capita.

Swine fell off from 1860 to 1890 by 20 per cent per capita.

Swine fell off from 1880 to 1890 by 13 per cent per capita, or one-eighth.

Swine fell off from 1860 to 1890 by 29 per cent per capita, or three-tenths.

Quantity and value of farm products and manufactures in Massachusetts, Pennsylvania, Alabama, Georgia, Maryland, Tennessee, and Virginia in 1870, 1880, and 1890.

#### MASSACHUSETTS.

	1870.	1880.	1890.
Farm products*.....	\$32,102,378	\$24,160,851	\$28,072,500
Wheat.....bushels.....	34,045,796	15,738	1,813
Corn.....do.....	1,307,807	1,707,708	1,330,101
Oats.....do.....	797,064	845,150	388,819
Tobacco.....pounds.....	7,312,885	5,309,430	2,704,848
Cotton.....	40,178	80,123	91,483
Swine.....	41,030	59,620	63,638
Horses.....	103	243	196
Mules.....	103	243	196
Value of manufactures.....	\$415,772,687	\$631,135,284	\$688,160,403
Value of farm products and manufactures.....	\$430,830,483	\$265,295,165	\$316,232,993

\* Includes betterments and addition to stock.

† Gold. Currency was at a discount of 25.3 per cent.



Quantity and value of farm products and manufactures in Massachusetts, Pennsylvania, Alabama, Georgia, Maryland, Tennessee, and Virginia in 1870, 1880, and 1890—Continued.

## PENNSYLVANIA.

	1870.	1880.	1890.
Farm products*	\$183,946,027	\$129,760,476	\$121,328,348
Wheat.....bushels.	19,672,976	19,482,405	21,595,499
Corn.....do.	34,792,906	45,821,531	42,318,279
Oats.....do.	36,473,585	33,841,439	30,197,409
Tobacco.....pounds.	3,467,539	36,943,272	23,156,247
Cotton.....bales.	867,548	1,187,968	1,278,029
Swine.....	400,339	533,587	618,000
Horses.....	18,009	22,914	29,593
Mules.....	18,009	22,914	29,593
Value of manufactures	\$591,785,075	\$744,618,445	\$1,361,523,101
Value of farm products and manufactures	\$775,731,102	\$874,378,921	\$1,452,851,449

## ALABAMA.

	1870.	1880.	1890.
Farm products*	\$67,522,335	\$56,872,904	\$66,240,100
Wheat.....bushels.	1,055,068	1,529,657	208,591
Corn.....do.	10,977,948	25,451,278	30,072,161
Oats.....do.	770,866	3,069,639	3,230,455
Tobacco.....pounds.	152,742	452,426	162,430
Cotton.....bales.	429,482	680,654	915,210
Swine.....	719,757	1,252,402	1,421,864
Horses.....	80,770	115,950	121,207
Mules.....	76,675	121,081	134,800
Value of manufactures	\$9,741,361	\$13,565,504	\$31,220,595
Value of farm products and manufactures	\$77,263,696	\$70,438,408	\$97,460,695

## GEORGIA.

	1870.	1880.	1890.
Farm products*	\$20,390,228	\$67,028,929	\$83,871,482
Wheat.....bushels.	2,127,017	3,159,771	1,090,312
Corn.....do.	17,040,459	23,202,018	29,261,422
Oats.....do.	1,904,801	5,548,740	4,767,821
Tobacco.....pounds.	288,506	228,506	263,752
Cotton.....bales.	473,934	814,441	1,191,846
Swine.....	968,506	1,471,003	1,396,362
Horses.....	81,777	98,520	103,501
Mules.....	87,426	132,078	157,377
Value of manufactures	\$23,300,498	\$36,440,948	\$68,917,020
Value of farm products and manufactures	\$43,690,726	\$103,469,877	\$152,788,502

\* Includes betterments and addition to stock.  
† Gold. Currency was at a discount of 25.3 per cent.

## Total production of wheat, corn, oats, cotton, and tobacco in three census years.

	Massachusetts.	Pennsylvania.	Alabama.	Georgia.	Maryland.	Tennessee.	Virginia.
Wheat, corn, and oats:							
1870.....bushels.	2,230,119	90,853,558	18,803,877	21,678,077	20,697,963	52,045,845	31,965,646
1880.....do.	2,458,695	96,115,375	30,020,574	31,910,529	25,770,269	74,817,972	42,279,116
1890.....do.	1,720,733	100,111,187	33,511,207	35,125,555	25,295,977	79,291,239	40,771,695
Cotton:							
1870.....bales.	429,482	680,654	429,482	473,934	181,842	181,842	183
1880.....do.	814,441	1,471,003	814,441	814,441	330,021	330,021	19,095
1890.....do.	915,210	1,396,362	915,210	1,191,846	190,579	190,579	5,375
Tobacco:							
1870.....pounds.	7,312,885	3,467,539	152,742	288,506	15,785,339	21,465,432	37,086,364
1880.....do.	5,309,436	36,943,272	452,426	228,590	26,082,147	29,365,052	79,988,869
1890.....do.	2,794,848	28,056,247	162,430	263,752	12,356,839	36,308,305	48,522,655

## BLASTING RESULTS OF DEMOCRATIC FREE-TRADE TARIFFS.

The exhibits given of the blasting effects of Democratic free-trade tariffs and the beneficent effect of Republican protective tariffs make the following words of the Hon. ROGER Q. MILLS, pronounced May 7, 1890, exceedingly discordant:

In 1830 \* \* \* we were promised that we were going to have manufactures right beside the farmers in the country; that they were to bring the producer and the consumer together, etc.

Our commerce is shrinking, our surplus is piling up, in mines, factories, and fields, and yet they want us to draw a Chinese wall around the country to compel us to trade among ourselves.

Republican protectionists repeat, as I have done many times heretofore in this address, the statement that so long as they stand idly by fuming and scolding and denouncing the methods of encouraging industry that secure prosperity where adopted, in every civilized country of the world, instead of availing themselves of the advantages at their hands, their words will have no effect. Such vaporings concerning "Chinese walls to compel trade among ourselves" sound very strangely in view of the exhibit of the products of those sections of the country that avail themselves of the protective tariff to establish industries as compared with those

Quantity and value of farm products and manufactures in Massachusetts, Pennsylvania, Alabama, Georgia, Maryland, Tennessee, and Virginia in 1870, 1880, and 1890—Continued.

## MARYLAND.

	1870.	1880.	1890.
Farm products*	\$35,343,927	\$23,830,281	\$26,443,364
Wheat.....bushels.	5,774,503	8,004,864	8,348,177
Corn.....do.	11,701,817	15,968,531	14,928,142
Oats.....do.	3,221,643	1,794,872	2,019,658
Tobacco.....pounds.	15,785,339	26,082,147	12,356,838
Cotton.....bales.	257,893	335,408	312,029
Swine.....	89,096	117,700	120,395
Horses.....	9,830	12,561	14,161
Mules.....	9,830	12,561	14,161
Value of manufactures	\$57,215,429	\$100,780,563	\$171,844,593
Value of farm products and manufactures	\$92,559,356	\$124,610,844	\$198,287,957

## TENNESSEE.

	1870.	1880.	1890.
Farm products*	\$86,472,847	\$62,076,311	\$55,194,181
Wheat.....bushels.	6,188,016	7,331,353	8,300,789
Corn.....do.	41,343,614	62,764,429	63,635,350
Oats.....do.	4,513,315	4,722,190	7,355,100
Tobacco.....pounds.	21,465,432	29,365,052	26,308,305
Cotton.....bales.	181,842	330,021	190,579
Swine.....	1,828,690	2,160,495	1,922,012
Horses.....	247,254	265,119	311,842
Mules.....	102,983	173,498	203,639
Value of manufactures	\$25,068,899	\$37,074,886	\$72,355,286
Value of farm products and manufactures	\$111,541,746	\$99,151,197	\$127,549,467

## VIRGINIA.

	1870.	1880.	1890.
Farm products*	\$51,774,801	\$45,736,221	\$42,244,458
Wheat.....bushels.	7,388,787	7,826,174	7,904,022
Corn.....do.	17,649,304	29,119,761	27,172,493
Oats.....do.	6,857,555	5,333,181	5,685,100
Tobacco.....pounds.	37,086,364	79,988,868	48,522,655
Cotton.....bales.	183	19,595	5,375
Swine.....	674,670	956,451	796,691
Horses.....	152,899	218,838	242,512
Mules.....	26,903	33,598	37,533
Value of manufactures	\$23,658,149	\$51,780,992	\$88,363,824
Value of farm products and manufactures	\$75,432,950	\$97,517,213	\$130,608,282

\* Includes betterments and addition to stock.  
† Gold. Currency was at a discount of 25.3 per cent.

sections of the country that refuse to avail themselves of such advantages.

Again we refer to the following eloquent figures from the census of 1890:

## Boots and shoes.

	Total product.	Product per capita.
Massachusetts:		
1870.....	\$64,064,388	\$44.38
1880.....	\$5,900,510	\$3.79
1890.....	116,387,900	51.97
Virginia:		
1870.....	52,876	.043
1880.....	187,529	.124
1890.....	1,279,039	.772
Georgia:		
1870.....	119,112	.10
1880.....	80,725	.057
1890.....	18,542	.01

## Manufactures per capita in seven States and in the United States.

(From the reports of the United States Census.)

Year.	United States.	Massachusetts.	Pennsylvania.	Alabama.	Maryland.	Virginia.	Tennessee.	Georgia.
1850	\$44	\$156	\$67	\$6	\$57	\$21	\$9	\$8
1860	60	297	99	11	61	31	16	16
1870	82	285	151	10	73	23	20	19
1880	107	354	174	10	114	34	24	23
1890	144	397	233	33	165	53	40	37

\* Coin values. Currency was depreciated 25.3 per cent in 1870.

There is no reason why boots and shoes as other things should not be manufactured in Georgia with the same beneficent results to them that that industry has brought to Massachusetts, instead of which she has abandoned it altogether. Why should a policy be adopted in this country that will shut up the mills in the manufacturing States and will not open mills in the non-manufacturing States? Now that the same system of compensating the laborers by wages prevails in every section of this country, it is no one's fault in the manufacturing States if the people of the nonmanufacturing States do not establish manufactures in them. In fact, despite the words and example of these Democratic free traders, it is shown that the manufacturing per capita has increased one-half in Georgia between 1880 and 1890, more than one-half in Tennessee, the same in Virginia, about one-third in Maryland, threefold more in Alabama, half as much again in Pennsylvania, while in Massachusetts it scarcely increased at all.

## MASSACHUSETTS REJOICES IN SOUTHERN INDUSTRIAL ACTIVITY.

We make no complaint in Massachusetts. The men in the States of Georgia and Tennessee and Alabama and in all others are Americans and our brothers. We bid them welcome in honorable competition, and rejoice even when our industries go to those States, being more than willing and abundantly able to substitute some new industries as our older industries depart to those sections, as it is true our coarser cotton industry has already gone, and as the iron industry is now traveling southward. We bid them welcome to our fields and godspeed them in their honorable industrial progress.

I make these remarks, caustic as they may be in some passages, that I may stir up—not that I would injure—our brothers, whom I love, to the same honorable, persistent, and self-sacrificing industry practiced in the older and more happy sections of the country which early adopted the system of wage labor rather than non-compensated labor, and are now reaping the advantages of a hundred years of progress.

Probably enough, and more than enough, has been said to carry conviction to every man who will candidly reflect upon it; yet I propose to exhaust this subject before I close, as far as I am able to do so.

## MONSTROUS DEMOCRATIC DOCTRINE.

What a monstrous doctrine it is that the Hon. Charles F. Crisp, Hon. William L. Wilson, Hon. ROGER Q. MILLS, and Hon. George McDuffie announce in the following extracts, "that protection builds up industries which it is wasteful upon the part of the manufacturers to carry on!"

[Hon. Charles F. Crisp.]

This protective system builds up industries which it is wasteful upon the part of the manufacturer to carry on. It destroys the natural industries of the people, and builds up an artificial industry.

[Hon. William L. Wilson.]

Every industry that leans on taxation for support, that calls upon the law to make the consumer of its products pay more than he would otherwise be obliged to pay for them, call it by what name we may, is a pauper industry, supported by the self-supporting industries of the country. [Applause on the Democratic side.]

[Hon. George McDuffie.]

When a planter exchanges his cotton for foreign manufactures, these manufactures become the productions of domestic industry by the same act which makes them his property, and the cotton, in like manner, becomes the production of foreign industry. It is as if the planter were gifted with the power of necromancy, and could transmute his cotton into manufactures by the mere touch of his wand.

\*\*\* I am as truly a manufacturer of cotton and woolen goods as the gentleman from Massachusetts. \*\*\* I cultivate the earth and convert its products into manufactures by exchange, while the gentleman from Massachusetts accomplishes the same object by turning spindles and throwing shuttles. The only material difference between the two operations is, that mine adds most to the wealth of the nation. \*\*\* The farmers of the South labor to the best advantage in the production of cotton and exchange it for shoes made in Massachusetts, bacon cured in Kansas, the flour produced in Indiana, Illinois, and Iowa, the silks of France, the sugar of Cuba, the coffee of Brazil, and the tea of China.

Will some of their disciples that a kindly fortune has not yet removed from these halls furnish us with a list of "industries that

protection has built up that it is wasteful to carry on"? Will any one of them rise up and name one such industry? You once said it was the manufacturing of tin. Do you say so now?

## PROTECTION APPROVED BY WASHINGTON, JEFFERSON, AND JACKSON.

Please do not omit to notice properly the Democratic applause bestowed upon the honorable gentleman. Not a word in this remarkable statement of Hon. George McDuffie that has not been in substance, if not in form, pronounced in all tariff discussions since they entered upon the policy of denouncing a protective tariff. A protective tariff was the very first measure that was passed by the American Congress after the adoption of the Constitution, under the advice and guidance of George Washington, Jefferson, and Alexander Hamilton, and defended and justified by Jackson and Jefferson.

Most remarkable are the statements that these Democratic free traders make, only exceeded by the remarkable methods they take in attempting to prove their erroneous statements, such as the following, by the Hon. ROGER Q. MILLS, on April 4, 1894:

A very exhaustive examination was made of the cost of the production of wheat in the United States a few years ago by Dr. Edward Atkinson. He showed that a bushel of wheat could be produced in the United States at a cost of less than 40 cents, and in California less than 36 cents. There is not a spot on the Continent of Europe that can produce a bushel of wheat at that cost. The lowest I have seen is Germany, at 84 cents. India can not produce wheat at a cost of 40 or 50 or 60 cents a bushel; much less can it produce it at that cost and pay the cost of transportation and drive us out of our own markets. \*\*\* A California farmer who uses the machine told me that with five hands at \$4 per day each he cuts, thrashes, winnows, sacks, sews up the sacks, and puts away ready to be shipped in one day 1,200 bushels of wheat, and the labor cost is less than 2 cents per bushel.

How are the farmers of this country pleased with Mr. MILLS's declaration that wheat can be raised at a labor cost of 2 cents a bushel? His showing that 36 to 40 cents is the normal price of wheat in the United States does not exactly harmonize with the ordinary stump speech of the free-trade Democratic politician when he is seeking election.

The Hon. Charles F. Crisp was exceedingly modest when he said:

I have never yet known a Republican arguing the advantages of a protective tariff to have any idea or conception of what consistency is. [Laughter and applause on the Democratic side.]

## PROTECTIONISTS RELY ON SOLID FACTS.

Mr. Chairman, I have to suggest to the Democratic free traders on this floor that the speeches of protectionists are buttressed with incontrovertible facts and statistics, and from documents made up by public officers wholly uninfluenced by partisan considerations; and not only are the Republicans justified in every instance by every public exhibit of economics, but by them are the words of the Democratic free trader as thoroughly condemned. They may be consistent—in fact, they have been consistent for sixty years in their perversity and utter refusal to open their eyes to the truth regarding their own country or any other, still continuing to recite the formulæ which Hon. George McDuffie prepared for them in 1832. These gentlemen insist that the wool duties do not go into the pockets of the farmers, and that the duties on woollens do go into the pockets of manufacturers. Read as follows:

[Hon. Charles F. Crisp.]

In this report the gentleman from Maine correctly states the effect of a tariff duty.

"Our goods"—

I want you to hear this, because it is the Democratic idea, and though in a Republican report it is the truth—

"Our goods are now met by foreign goods on our own shores at a price made up of raw materials plus labor and plus the present rate of tariff on very nearly equal terms."

If you reduce the tariff, says the gentleman from Maine—perhaps I had better read, so that I can not misquote him:

"Our goods are now met by foreign goods on our own shores at a price made up of raw materials, plus labor, plus the present rate of the tariff, on very nearly equal terms. When the tariff element is lowered"—

Hear him—

"then something must be lowered on our side."

And he proceeds to say that it is the profits of capital and the wages of labor that must be lowered. \*\*\*

It says that putting raw wool on the free list and reducing the rate on woollen goods will reduce the price that the farmer gets for his wool, will reduce the wages that the spinner and the weaver gets for his labor, and yet will accomplish only an "imaginary and infinitesimal difference in the price of clothing." Now, if the manufacturer gets his wool cheaper, and if he gets his wages cheaper, let me ask you why he will not sell clothing cheaper? [Applause.]

You gentlemen of the minority state in your report:

"If the tariff element be lowered, then something must be lowered on our side."

[Hon. William L. Wilson.]

\*\*\* Have no right to raise the price of wool to the consumer if you could thereby increase the price of wool to the farmer; but the tariff on wool does not increase the price of wool to the farmer by a farthing.

\*\*\* He would be a bold man who would rise and assert that the McKinley bill, with its increase of taxes on wool and woollens and its prohibitory



taxes on every imaginable substitute for wool, has been of any benefit to the American woolgrower. I do not believe that the duty on wool has in any year been of substantial advantage to the American woolgrower.

Prices for Australian average fleece, scoured, are as follows for London and America:

Comparison of prices of Ohio and Australian scoured wools.

Year.	Price of fine Ohio fleeces, scoured, America.	Price in London of Australian average fleeces, scoured.	Difference of the two prices in the two countries.
1881	\$0.85	\$0.53	\$0.32
1882	.90	.53	.37
1883	.86	.51	.35
1884	.80	.48	.32
1885	.71	.41	.30
1886	.74	.41	.33
1887	.73	.45	.28
1888	.69	.49	.20
1889	.73	.49	.24
1890	.73	.44	.29
1891	.69	.40	.29
1892	.65	.38	.27
1893	.60	.32	.28
January, 1894	.45	.28	.17
March 1, 1894	.45	.28	.17
August 1, 1896	.35	.25	.10

Average difference, 20 cents.

The above table proves that the sayings of the Hon. Charles F. Crisp and the Hon. William L. Wilson are exactly contrary to the facts. These figures prove that the farmer gets every farthing of the duty in increased price of his wool, while under the free-trade Wilson tariff prices are the same here as in London.

#### EFFECTS OF TARIFF LEGISLATION ON WOOL.

I will also insert in my speech a further exposition of the wool situation. It appears by these tables that there were one-sixth more sheep owned by the farmers in 1892, under the protective tariff, than in 1896, under the Democratic free-trade tariff, and that the value of the total sheep was 80 per cent more in 1892 than in 1896, showing a loss to the farmer in sheep alone, caused by the Wilson bill, of \$51,000,000.

They also show that while our consumption of wool increased in that period one-quarter, our imports of wool increased three quarters.

They also show that while the cotton-cloth product of the country per capita did not increase at all from 1870 to 1890, with free cotton, but rather fell off, the wool increased very nearly one-quarter.

They also show that the wool grown by our own people went up under a protective tariff from 162,000,000 pounds in 1870 to 303,000,000 pounds in 1893.

Number, prices, and total values of sheep in 1892 and 1896.

State or Territory.	Number of sheep.		Average price.		Total value.	
	1892.	1896.	1892.	1896.	1892.	1896.
Maine	500,577	325,836	\$3.01	\$2.07	\$1,517,274	\$666,438
New Hampshire	188,678	87,111	2.87	2.13	540,751	184,449
Vermont	358,274	151,550	3.29	1.93	1,179,726	290,503
Massachusetts	57,644	48,965	3.89	2.30	223,947	150,703
Rhode Island	20,433	11,279	4.35	2.28	88,684	26,067
Connecticut	47,190	34,820	4.08	2.66	192,454	91,802
Total New England	1,241,805	651,691	3.52	2.13	3,913,095	1,300,542
New York	1,421,455	890,179	3.80	2.38	5,401,520	2,137,798
New Jersey	102,077	45,080	4.05	4.04	413,922	182,340
Pennsylvania	1,091,477	907,673	3.83	2.16	4,178,173	1,957,067
Delaware	22,087	12,855	3.87	2.89	85,708	36,739
Maryland	164,680	159,864	3.91	2.06	644,559	348,375
Total Middle States	2,802,636	1,994,182	3.89	2.34	10,726,950	4,661,919
Virginia	449,009	435,889	3.05	2.10	1,370,016	894,780
North Carolina	390,361	513,194	1.23	1.50	710,273	478,089
South Carolina	89,073	74,465	1.47	1.47	167,939	108,702
Georgia	263,017	378,789	1.74	1.97	457,660	619,323
Florida	117,098	101,777	2.06	1.85	241,499	188,573
Alabama	299,292	271,111	1.65	1.15	443,927	311,534
Mississippi	223,578	343,996	1.60	1.39	357,367	478,115
Louisiana	118,488	146,571	1.61	1.99	191,240	293,353
Texas	5,040,175	3,005,256	1.55	1.23	7,809,239	3,639,540
Arkansas	264,094	188,972	1.50	1.29	396,537	244,652
Tennessee	406,007	480,486	2.10	1.43	1,105,879	681,098
West Virginia	529,204	514,783	3.11	1.74	1,646,354	894,281
Kentucky	773,390	858,880	2.18	1.87	2,456,889	1,606,257
Total Southern States	9,152,508	7,153,615	2.07	1.45	17,548,081	10,361,238

Number, prices, and total values of sheep in 1892 and 1896—Continued.

State or Territory.	Number of sheep.		Average price.		Total value.	
	1892.	1896.	1892.	1896.	1892.	1896.
Ohio	4,488,087	2,754,613	\$3.30	\$1.91	\$14,724,581	\$5,247,538
Michigan	2,353,770	1,491,079	3.21	1.91	7,550,536	2,843,189
Indiana	1,161,702	727,509	3.70	2.30	4,298,702	1,690,779
Illinois	848,092	604,470	3.57	2.41	3,025,314	1,460,687
Wisconsin	907,708	770,350	2.96	1.94	2,688,630	1,498,176
Minnesota	357,101	435,361	2.80	1.94	999,588	844,230
Iowa	565,031	565,187	3.43	2.48	1,933,084	1,399,579
Missouri	916,624	774,738	2.57	1.91	2,355,262	1,475,933
Kansas	460,433	258,390	2.34	1.60	1,066,505	413,566
Nebraska	230,804	192,630	2.56	2.17	590,867	417,234
Colorado	1,710,395	1,319,049	2.49	1.65	4,263,673	2,351,851
Total Western States	14,027,755	9,063,336	2.99	1.98	43,635,724	19,731,972
California	4,083,541	2,962,126	2.42	1.85	9,884,211	5,483,784
Nevada	504,710	544,077	2.49	1.71	1,257,223	930,572
Oregon	2,456,077	2,630,949	2.24	1.90	5,491,789	3,590,993
Washington	686,581	756,346	2.71	1.74	1,858,821	1,315,463
Total Pacific States	7,730,849	6,896,498	2.47	1.65	18,491,047	11,223,601
Dakota (North and South)	500,000	660,075	3.15	1.97	1,561,400	1,325,088
Idaho	527,077	1,011,852	2.40	2.35	1,264,985	2,381,231
Montana	2,089,337	3,061,502	2.60	1.55	5,228,566	4,740,429
New Mexico	2,967,490	2,738,030	1.64	1.00	4,556,596	2,732,554
Arizona	611,452	746,546	2.30	1.25	1,406,340	890,196
Utah	2,055,900	1,998,441	2.26	1.58	4,650,406	3,157,537
Wyoming	1,141,492	1,393,693	2.45	1.80	2,806,070	2,513,944
Oklahoma	22,322	22,322	1.65	1.65	36,867	36,867
Total all others.	9,982,738	11,652,451	2.37	1.52	21,776,453	17,728,359
Total United States.	44,908,365	33,298,783	2.58	1.70	116,121,290	65,167,735

Value of manufactures of wool and the per capita value in each of the census years from 1850 to 1890.

Year.	Value.	Value per capita.
1820	\$4,413,098	\$0.46
1830	14,523,166	.88
1840	20,696,999	.82
1850	43,207,545	1.88
1860	65,596,364	2.09
1870	177,495,669	4.60
1880	267,252,913	5.34
1890	357,768,524	5.97

Amount of wool consumed by American manufacturers, average per annum.

Period.	Domestic wool.	Imports of wool.	Total consumption.	Per capita.
	Pounds.	Pounds.	Pounds.	Pounds.
1841-1850	46,000,000	13,976,459	59,976,459	3
1851-1860	66,000,000	23,010,629	89,010,629	3.3
1861-1870	150,000,000	50,161,113	200,161,113	5.4
1871-1880	192,225,000	64,091,664	256,316,664	5.8
1881-1890	351,158,020	36,903,409	388,151,429	6.2
Year ending June 30—				
1891	285,000,000	129,303,648	377,911,776	6.43
1892	294,000,000	148,670,552	411,373,603	6.73
1893	303,153,000	172,433,838	439,490,633	7.05
1894	298,057,384	65,152,585	471,276,343	5.08
1895	309,748,000	206,033,906	546,712,315	6.32
1896	272,474,708	230,911,473	509,159,716	.....

Comparative statement of the values of manufactures of cotton and wool in each of the census years from 1830 to 1890, and the per capita value of each manufacture.

Year.	Manufactures of cotton.		Manufactures of wool.	
	Value.	Value per capita.	Value.	Value per capita.
1820	.....	.....	\$4,413,098	.....
1830	.....	.....	14,523,166	.....
1840	.....	.....	20,696,999	.....
1850	.....	.....	43,207,545	.....
1860	.....	.....	65,596,364	.....
1870	.....	.....	177,495,669	.....
1880	.....	.....	267,252,913	.....
1890	.....	.....	357,768,524	.....

With free cotton the cotton product per capita was stationary from 1870 to 1890. Wool only, under a tariff tax, increased nearly one-fourth.

Growth of the wool clip of the United States from 1810 to 1893.

Date of report.	Pounds.	Date of report.	Pounds.
1810.....	13,000,000	1879.....	211,000,000
1820.....	14,100,000	1880.....	232,500,000
1830.....	17,829,000	1881.....	240,000,000
1840.....	35,802,114	1882.....	272,000,000
1850.....	52,516,989	1883.....	290,000,000
1860.....	60,264,913	1884.....	300,000,000
1867.....	160,000,000	1885.....	308,000,000
1868.....	168,000,000	1886.....	302,000,000
1869.....	180,000,000	1887.....	285,000,000
1870.....	162,000,000	1888.....	269,000,000
1871.....	160,000,000	1889.....	265,000,000
1872.....	150,000,000	1890.....	276,000,000
1873.....	158,000,000	1891.....	285,000,000
1874.....	170,000,000	1892.....	294,000,000
1875.....	181,000,000	1893.....	303,153,000
1876.....	192,000,000	1894.....	308,067,384
1877.....	200,000,000	1895.....	308,748,000
1878.....	208,250,000	1896.....	272,474,708

\* Mr. North's figures.

NOTE.—These are the estimates of the Department of Agriculture. The commercial estimates of the domestic clip are considerably higher than those of the Department, and reach 364,000,000 pounds in 1893.

The wool clip grew from 162,000,000 pounds in 1870 to 303,000,000 pounds in 1893.

Wool production of the world, 1860-1894.

Countries.	1860.	1870.	1880.
	Pounds.	Pounds.	Pounds.
United Kingdom.....	140,000,000	150,000,000	149,000,000
Continent of Europe.....	500,000,000	485,000,000	458,000,000
North America.....	110,000,000	176,000,000	270,000,000
Australasia.....	60,000,000	175,000,000	308,000,000
Cape of Good Hope.....	26,000,000	43,000,000	60,000,000
River Plate.....	43,000,000	197,000,000	258,000,000
Other countries.....	78,000,000	99,000,000	132,000,000
Grand total.....	955,000,000	1,295,000,000	1,636,000,000

Countries.	1889.	1891.	1894.
	Pounds.	Pounds.	Pounds.
United Kingdom.....	134,000,000	147,475,000	141,509,077
Continent of Europe.....	450,000,000	639,917,000	755,721,384
North America.....	330,000,000	319,100,000	342,210,712
Australasia.....	450,000,000	550,000,000	683,800,000
Cape of Good Hope.....	70,000,000	128,681,600	* 131,325,000
River Plate.....	360,000,000	376,700,000	† 397,970,000
Other countries.....	158,000,000	294,900,000	260,000,000
Grand total.....	1,950,000,000	2,450,773,600	2,602,936,773

\* All Africa.

† All South America.

The following words of the Hon. ROGER Q. MILLS, on May 7, 1890, which received the most hearty Democratic applause, rise to the general level of the observations of the Democratic free trader:

New protection against competition means more work and less results, and boiled down to its last analysis it means all work and no results. [Applause on the Democratic side.]

## MORAL RESULTS OF THE LOSS OF WORK.

What Mr. MILLS says in this paragraph about more work is absolutely true, but the all work and no pay is past finding out. The protective tariff only affords an opportunity to work.

Read the following discussion that occurred in the House of Representatives on April 3, 1894, concerning the Pensacola Navy-Yard. What is therein said of the condition to which the most skillful and enterprising and well-educated mechanics have sunk there, shows to what condition all would sink were they deprived of the opportunity to work. It shows what would be the result all over this country, excepting no portion of it, did we abrogate every feature of protection from our tariff laws. The present generation of mechanics would starve before they could bring themselves to work at European wages, and civilization in this country would be set back a hundred years. As was shown in our history from 1873 to 1879, it took our mechanics then eight years, filling every hamlet with tramps, to bring their minds to accept only a reduction of 10 per cent in their wages:

Mr. MALLORY. \* \* \* [The Pensacola] reservation is situated differently from any other in the United States, and the people on it are differently situated from the people residing on any other territory of the United States, unless it be this District of Columbia.

There are \* \* \* two villages, known as Woolsey and Warrington, in which there are from twelve to fifteen hundred people. \* \* \* The great bulk of these people came down there before the war for the purpose of assisting in building two vessels which were being constructed by the Government at the Pensacola Navy-Yard and which were completed about 1858—the gunboat *Seminole* and the sloop of war *Penacola*.

These people were skilled mechanics, who came there from Baltimore,

New York, and other places in the North, bringing their families with them; and under the impression that shipbuilding would be continued, they settled there. \* \* \* On that reservation some three or four hundred children are growing up in ignorance, whose parents are utterly unable to provide for their education even in the most rudimentary form.

These men were skilled mechanics who went there anterior to the war, and were usually men of first-class ability. They went there, of course, expecting this navy-yard to be continued in operation. Since the war they have had but very little to do in the line of their skill. Most of them are now old men.

If the navy-yard had been carried on as it was previous to the war, the young men who grew up there would have learned their trades in the machine shops and carpenter shops in the navy-yard and would have taken the places formerly filled by their fathers. But there was no work of this kind for them to do. They have been unable to learn any trade and are too poor to go away. Those of them who were able to go off, a number of the younger men, went up to Pensacola, where they pursued their avocations, and gradually withdrew their families from the naval reservation.

But this applied to only a very limited number. \* \* \* They are there now, their homes are there, and they, like ourselves, are human. There are a lot of children there of these men who were leading men in their avocations, and it is a matter of charity to do something for them.

Mr. DOLLIVER. What do they do for a living?

Mr. MALLORY. Well, some of them have minor places in the yard as watchmen and laborers. Some of them fish for a living, and some of them act as pilots on Pensacola Bar. This village is located but a short distance from the mouth of the bay, about 8 miles from the city of Pensacola by land and about 5 miles by water. Some few of these people obtain their living in that way. There is an army post at Fort Barrancas, on the military reservation adjoining this naval reservation, where there are a number of troops stationed, and some of these people keep stores and supply the troops with what they choose to buy. There are generally from three to five companies stationed there. Aside from this, however, these people have no means of living. They can not go out into the world, for their only property consists in the houses in which they live. Some of these are fairly good houses, frame houses, but they can not sell them. They are all anxious to go away, and would do so if they could dispose of their houses, but they can not manage to get rid of them.

Mr. GRISSENHAINER. What are the reasons which keep these people on the reservation, if they have no schools there, no right to vote, and no other rights?

Mr. MALLORY. They stay there simply because they are unable to get away. If a man has a house there he can not sell the house for anything. There is no immigration there and no demand for this property any more, and the people can not leave.

Mr. CUMMINGS. The gentleman from Florida [Mr. Mallory] has referred to the anomalous condition of the people living on this naval reservation in his State.

What are these poor white and black children, living upon this naval reservation and holding out their hands to the Government of this country, begging for education—what are they, if not wards of the United States? They are certainly not the wards of the people of Florida. They are children of nowhere.

Now, I say that this country is great enough and broad enough to make no distinction between the children of the white man, of the black man, and the children of the red man. Above all, they can not afford to discriminate in favor of the children of the red man and against the children of the black man and of the white man. In this case they are certainly poorer than the Indian children, and they are calling aloud for an education.

## MECHANICS MUST HAVE WORK TO EARN THEIR BREAD.

Furthermore, were every manufactured article that the people of this country needed to consume presented to them as a free gift for a period of ten years, the story of the skilled mechanics and their families who went to the Pensacola Navy-Yard would be the fate of all the mechanics in this country. It would be a worse affliction to this country than has been any plague or pestilence that has ever visited any country in the last hundred years. For what could the mechanics in this country do to earn bread for their mouths, clothing for their backs, or shelter for their heads during that ten years, and if the whole supply for men's wants would bring devastating ruin to our people, what part of the whole of the goods that we should manufacture in this country for ourselves and that American mechanics now receive American wages for producing can we afford to take from Europe and let our mechanics stand idly by and see us consuming them while they starve? Read the words of the Hon. George McDuffie upon this very point, as follows:

As to voluntary and gratuitous donation (of goods) from foreign governments or foreign manufacturers, I admit that this would be the most fatal of all modes of requisition to the interests of the domestic manufacturers. It would absolutely destroy the entire value of all their investments in buildings and machinery.

After listening to that, again listen to the words of the Hon. Charles F. Crisp on February 1, 1894:

Mr. CRISP. Mr. Speaker, the gentleman from Maine [Mr. REED], belongs to that school who believe that scarcity is a blessing, and that abundance should be prohibited by law. \* \* \* You claim that we owe to protection the sunshine, the showers that fall, the fertile fields that surround us, the intelligence, the enterprise, the energy of our people—all these things you gravely credit to protection—

because we propose to so frame our laws as to invite a larger use of sunshine and showers to our American workmen in larger employment, such silly words as these are sounded in our ears as we present to them the actual facts in the case.

Hon. William L. Wilson rises to say:

I ask how is it possible for a tariff which, under any careful and accurate analysis, "protects" the wages of only 5 per cent of our laboring people to increase the wages of the other 95 per cent? [Applause.]



## WILSON CONFOUNDED BY M'DUFFIE.

It appears from all Mr. Wilson's address on the protective tariff, eloquent, cultured, and in every way polished and estimable gentleman that he is, that he has not the slightest capacity to appreciate the simplest statements in economics. Does he not know that while it may be true that only 5, 10, or 15 per cent of our people are actually working upon things that could be transported from Europe to this country, that the 95, 90, or 85 per cent have the natural protection of its being impossible to transport here the things they make from any other country? The Hon. Mr. Wilson can not be made to believe that houses built by carpenters, railroads, canals, all farming employments, the shoeing of horses, in fact, the whole myriad of ordinary employments on things not transportable, are protected by the protection of this 5, 10, or 15 per cent of which he speaks in such derision. Let his teacher, whose lessons he has partly forgotten, the Hon. George McDuffie, answer the Hon. Mr. Wilson in the following words:

Whatever increases the prosperity and profits of the great and leading employments of capital in any community has always been found to increase the prosperity and profits of all subordinate employments, as well as the wages of labor. It is obvious that in the same local community where the transfer of capital and labor from one employment to another is easily affected, there can not long continue different rates of profit and wages of labor.

If, for example, protecting duties enhance the money price of the various manufactures upon which they are laid, to the full extent of these duties, they at the same time enhance the price of all other articles in the manufacturing region.

I have heretofore adverted to the extraordinary fact that the wages of agricultural labor are four times as high in the manufacturing States as they are in the planting States.

So it seems that all classes prosper equally in a democratic community, that is to say, a community where the laborers are paid wages and do not work without compensation, as do horses and mules. All classes in the locality availing itself of the advantages of a protective tariff to improve its conditions in manufactures so as to employ all of its people reap such advantages. Republican protectionists are ready freely to admit that for a community of patricians and plebeians a protective tariff has no uses and is an abomination.

## ADVANTAGE OF DIVERSIFIED INDUSTRIES.

I desire to call your attention to the following very interesting table, which shows the advantage to a community of diversified industries, which are only possible to this country in the present and future, as in the past, in protecting the high wages of our working people by a tariff on products produced in Europe at low wages:

Table showing the assessed valuation of real and personal property and taxation in the United States, by groups, census of 1890.

Group.	Valuation assessed for taxation.									
	Total real property.	Real property per capita.	Total personal property.	Personal property per capita.	Total real and personal property.	School expenditure, each pupil.	Total real and personal property per capita.	Total.	Per cent per dollar.	Per capita.
North Atlantic.....	\$8,601,385,328	\$494.28	\$2,307,282,257	\$132.50	\$10,908,667,585	\$2.74	\$626.86	\$179,247,262	1.64	\$10.20
North Central.....	5,560,109,113	249.04	2,107,660,305	94.25	7,667,769,418	2.61	943.30	181,000,232	2.36	8.13
South Atlantic.....	1,528,133,435	172.51	734,267,278	82.67	2,262,390,713	.89	255.41	32,687,813	1.44	3.69
South Central.....	1,734,302,620	158.05	811,763,353	75.98	2,546,065,973	.94	232.03	35,634,400	1.40	3.25
Western.....	1,523,626,179	508.18	555,063,550	183.51	2,079,290,729	3.35	696.69	41,383,221	1.99	13.67
Total United States.....	18,956,556,675	302.55	6,516,616,743	104.06	25,473,173,418	.....	406.78	470,651,927	1.85	7.52

Total population of the United States..... 62,622,250

North Atlantic.—Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania. Population..... 17,401,545

South Atlantic.—Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida. Population..... 8,857,930

North Central.—Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas. Population..... 22,362,279

South Central.—Kentucky, Tennessee, Alabama, Mississippi, Louisiana, Texas, Oklahoma, Arkansas. Population..... 10,972,893

Western.—Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Idaho, Washington, Oregon, California. Population..... 3,027,613

## A PEOPLE'S WISDOM REVEALED IN THE RATE OF TAXATION.

It is perfectly clear from the above table that the statements made as to the poverty of one section of the country as compared with another are exceedingly erroneous. The wealth of the Western States per capita is more than that of the North Atlantic States, and were the wealth per capita and the labor of every section of the country used with equal wisdom and discretion and if there were the same persistent industry, frugality, and wisdom exercised in investment and expenditure, all sections of the country might be equally prosperous. The Western States have the wisdom to spend \$3.35 per annum per capita on the schooling of each pupil, and the North Central States \$2.81, and the North Atlantic \$2.74, while the South Atlantic reaches only 89 cents, and the South Central 94 cents. While the per capita valuation is little more than double what it is in the South Atlantic and the South Central States, in the North Atlantic States the taxation per capita is three times as much. The surest index to the wisdom of a people is the rate of taxation among them.

## TARIFF OF 1846 BROUGHT NO PROSPERITY.

But there is no statement of the Democratic free trader that is more exaggerated in its untruthfulness than that this country prospered more per capita and in all sections of it under the Democratic free-trade tariff of 1846, from the year 1846 to 1860, than in any years of our history. The real facts are that the fourteen years preceding 1860, under the Democratic tariff of 1846, were the most distressing the country ever saw, since the Revolution, for so long a period. It may have been equalled in the years 1893, 1894, and 1895 under another Democratic free-trade tariff. It is true that the cotton industry was fairly prosperous under the cotton tariff of 1846, for we never had a tariff since 1833 that did not fairly well protect the cotton industry. Even what prosperity there was in the country during that fourteen years was not even and general, but was local, in particular industries, and spasmodic. Had it not been for the great market made for our products by the Mexican war and the reduced competition among wage workers in the persons taken out of the community as soldiers; and for the market made by the Irish famine in 1847; and for the discovery of gold in California in 1849, occupying other thousands; and for the Crimean war in 1855 and 1856, which offered a tremendous

market for our products, that would indeed have been a period of desolation for the whole country.

For the figures included in the tables which follow I am indebted to Senate Report 1394, part 2, page 124, Fifty-second Congress, second session, made on March 3, 1893, and to the United States Census, in almost all cases:

## Price of calico in April of each year.

[Senate Report No. 1394, part 2, page 124.]

Year.	Value.	Price.	Yards made.	Per capita increase in ten years.
1850.....	\$61,860,000	\$0.10	619,000,000	.....
1860.....	115,682,000	.10	1,157,000,000	19.99
1870.....	132,585,000	.094	1,385,000,000	6.8
1880.....	192,090,000	.08	2,401,000,000	25.13
1890.....	267,982,000	.06	5,358,000,000	42.8

The above table shows, for instance, that the price of cotton cloth to the people was not reduced by a farthing from 1850 to 1860 under a free-trade tariff, while from 1860 to 1890 it was reduced from 8 cents to 5 cents under a protective tariff. It shows also that in the ten protection years from 1860 to 1870, as compared with free trade from 1850 to 1860, the increase in the number of yards per capita fell off 70 per cent because cotton could not be had from 1861 to 1866. In the ten years ending in 1880 the increase in yards made was more per capita than the increase from free trade 1850 to 1860 by 26 per cent. In the ten years ending in 1890, under protective tariff, the increase in yards made was more per capita by 111 per cent than from 1850 to 1860 under the free-trade tariff of 1846.

## RECKLESS ASSERTIONS OF THE FREE-TRADE BOSTON HERALD.

The free-trade Democratic Boston Herald has been most vociferous and constant in its statement that the country was more prosperous under the tariff of 1846 than under any tariff we ever had. On November 29, 1893, it made the following statement, and

it is a type of all the Democratic free-trade papers in their assertions, and is as wide of the truth as they all are:

#### A PREVIOUS LOW TARIFF.

The country advanced in prosperity under the tariff of 1846 as it had never advanced before. \* \* \* The figures of the census show \* \* \* that the period was one of unexampled growth in the general prosperity of the people. Labor in especial had never found more ready employment or been better remunerated. All this is matter of record, and no intelligent person will deny it unless he deliberately means to deceive.

What one free trader says, so say they all.

The following tables are a conclusive answer to all such reckless statements. It will be seen that it is stated that the increase in the valuation of the United States from 1850 to 1860 was 125 per cent, but that resulted from causes very exceptional, mostly the opening of new States and giving valuation to millions of acres of land for the first time, and many of them having little or nothing to do with the real prosperity of the people. These gains in valuation were 109 per cent in the North Central States and 132 per cent in the Western States. The per capita gain was less than one-third for 1850 to 1860 of that of 1860 to 1870.

True valuation of the United States, in coin, and increase in percentages without regard to population.

	Valuation, including slaves.	Increase in decade.	Valuation in coin and less slaves.	Increase in decade.
		Per cent.		Per cent.
1850	\$7,135,780,228		\$5,891,519,428	
1860	16,159,616,068	126	13,284,279,568	125
1870	30,068,578,507	93	22,551,433,480	69
1880	43,642,000,000	45	43,642,000,000	93
1890	65,037,091,187	49	65,037,091,187	49

Per capita true valuation of the United States, in coin and less slaves.

Division.	1850.	1860.	1870.	1880.	1890.
North Atlantic.	\$363	\$328	*\$302	\$1,300	\$1,232
Percentage of per capita gain in decade.		45	76	29	1.9
South Atlantic.	†\$179	†\$301	*\$288	\$495	\$579
Percentage of per capita gain in decade.		68	†4.3	72	17
North Central.	\$308	\$436	*\$551	*\$302	\$1,129
Percentage of per capita gain in decade.		109	26	69	21
South Central.	†\$170	†\$340	*\$251	\$435	\$563
Percentage of per capita gain in decade.		73	†26	73	34
Western.	\$187	\$434	*\$332	\$1,291	\$2,250
Percentage of per capita gain in decade.		132	45	104	74
Total.	\$254	\$314	*\$385	\$870	\$1,039
Percentage of per capita gain in decade.		24	86	49	20

\* Coin valuation.

† Less slaves.

‡ Decrease.

Slaves in the United States 1850-1860.

(Number from the United States Census.)

Group.	1850.		1860.	
	Number.	Value.*	Number.	Value.†
South Atlantic:				
Maryland	90,368	\$36,147,200	87,180	\$65,301,750
Virginia	472,528	189,011,200	490,865	368,148,750
North Carolina	288,548	115,419,200	331,050	248,294,250
South Carolina	384,084	153,993,600	402,406	301,804,500
Georgia	381,082	152,072,800	462,198	346,648,500
Florida	39,310	15,724,000	61,745	46,308,750
Total	1,057,420	662,968,000	1,835,462	1,376,596,500
South Central:				
Kentucky	210,981	84,392,400	225,483	169,112,250
Tennessee	239,459	95,783,600	275,719	206,789,250
Alabama	342,844	137,137,600	435,080	326,310,000
Mississippi	300,878	123,951,200	436,631	327,473,250
Louisiana	244,800	97,923,600	331,736	248,794,500
Texas	58,161	23,264,400	182,566	136,924,500
Arkansas	47,100	18,840,000	111,115	83,336,250
Total	1,453,232	581,292,800	1,998,620	1,498,740,000

\* Each slave reckoned to be worth \$400.

† Each slave reckoned to be worth \$750.

	South Atlantic.		South Central.	
	1850.	1860.	1850.	1860.
Population	4,679,717	5,399,407	4,306,046	5,717,700
Valuation	\$1,558,000,000	\$2,883,000,000	\$1,287,000,000	\$3,419,000,000
Value of slaves	663,000,000	1,377,000,000	581,000,000	1,498,000,000
Less slaves	895,000,000	1,506,000,000	706,000,000	1,920,000,000
Per capita less slaves.	179	301	176	346

#### PER CAPITA REPORTS THE TRUE TEST OF PROSPERITY.

The true test of prosperity "is per capita," not in the gross. It will be seen that the increase per capita of wealth in the United States from 1850 to 1860 was only 24 per cent under a Democratic free-trade tariff, while it was 86 per cent from 1860 to 1870 under the Republican protective tariff, notwithstanding our fearful civil war; that it was 49 per cent from 1870 to 1880 under protection, more than double that from 1850 to 1860. The adversity which came to our country from 1873 to 1879, in our successful struggle to resume specie payments, reduced the percentage of gain down to 49 per cent from 1870 to 1880; and because we attained so high a rate of wages and such a degree of prosperity previous to 1880, and because of a reduction of the tariff made in 1883, the gain in wealth per capita was only 20 per cent from 1880 to 1890. The unrest of the people under those conditions gave the protectionist Republicans the election in 1888.

#### LABOR COSTS IN MANUFACTURED ARTICLES.

I know of no more conspicuous example of a man refusing the testimony of all persons in position to know the facts and wandering around in statements never made to reveal the exact labor costs of things he applies them to, than the so-called proofs as to costs of articles of manufacture given in a speech made on April 24, 1894, by Hon. ROGER Q. MILLS, of Texas. He takes his original figures from the census and makes very grotesque deductions of "facts" therefrom.

The census gives the labor cost in a ton of steel rails as \$31, meaning the cost of the labor of handling the prepared steel billets into the furnaces and through the rolls into the storage yard. There is not a boy around a rolling mill that does not know that the labor cost in a ton of steel rails begins at the coal mines and ore beds to railway stations and wharves and on longer or shorter lines of transportations—in fact, that the "labor cost" of a ton of steel rails is every dollar they have cost less the charge for royalty on the raw ore and coal as it lies in the mountain, which probably does not exceed 10 per cent of its cost as it leaves the rolls in the mill.

In \$100 worth of cutlery, labor cost \$44.24, which only includes the cost above all the finished product to the manufacturers of it, of whom the maker of the cutlery bought it—probably back to the mines of fully 95 per cent of the finished cutlery.

He goes over fifteen articles, all of his statements concerning which are as wide of the mark as those I have given.

Among them, a ton of pig iron; he gives the labor cost as \$1.50, every particle of cost of which is labor, directly or indirectly, excepting what was charged the miners for the coal and ore before it was touched in the ground—comparatively a few cents.

I have not the true figures of labor cost on the articles Mr. MILLS gives, but I have had the reputation of giving, for several censuses, the most accurate figures as to labor cost that were published in them of things manufactured by myself. The detailed figures will be found in CONGRESSIONAL RECORD, Appendix, Fifty-second Congress, first session, volume 127, page 127.

In \$100 worth of upper leather, direct labor cost given the census taker, \$14.70; actual labor cost back to the hide and bark tree, \$34.80.

In \$100 worth of sole leather, direct labor cost given census taker, \$5; actual labor cost back to the hide and bark tree, \$28.

In \$100 worth of light calfskin leather, direct labor cost given census taker, \$23; actual labor cost back to the skin and bark tree, \$48.

In \$100 worth of coarse brogan shoes, direct labor cost given census taker, \$18; actual labor cost back to the primary raw products entering into them, \$53.

In \$100 worth of men's fine calfskin shoes, direct labor cost given census taker, \$31.20; actual labor cost back to primary raw material, \$62.70.

Manufacturers have given me the labor cost as follows:

In \$100 worth of coarse cotton cloth, direct labor cost given the census taker, from \$26.50 to \$45.25, according to the goods; actual labor cost, including keeping up mill, machinery, etc., from \$44.50 to \$87.

In \$100 worth of fine cotton cloth, direct labor cost given census taker, from \$46.50 to \$50.50; actual labor cost, including keeping up mill and machinery, etc., from \$65 to \$75.

In \$100 worth of woolen dress goods, with a duty of 11 cents a pound on wool, direct labor cost given census taker, \$52.47; actual labor cost, including keeping up mill, machinery, etc., \$78.30.

Possible saving, if no duty was paid on wool, of only 10 per cent if of all wool, and the farmer got half as much for it as under protection; but the actual saving on these goods would be from 4 to 7 per cent, or 2 to 4 cents a yard.

In \$100 worth of low-grade wool cheviots, medium quality beaver, etc., used by the masses, direct labor cost given census taker, \$60; actual labor cost, including keeping up mill, machinery, etc., \$86; a possible saving, if no duty was paid on wool and the farmer got half as much for it, of about 7 per cent, figuring very small per yard.



In \$100 worth of No. 3 highest grade of fur beaver, all wool, direct labor cost given census taker, \$58.50; actual labor cost, including keeping up mill, machinery, etc., \$81; possible saving, if no duty was paid on wool and the farmer got half as much price for it, as he surely has, of 9½ per cent.

On a pair of highest cost trousers, for which I had paid \$15 for years, my tailor figured a saving under the Wilson bill of 45 cents.

Goods made in a large first-class cotton or woolen mill are increased in cost to the manufacturer, by running half the machinery in his mill, from 6 to 10 per cent, as the "fixed charges" remain about the same. For our manufacturers to have all the American market and thus be able to run their mills full of operatives is worth very nearly or quite as much to them in reducing the cost of goods as to take the 11 cents a pound duty off of wool and run their mills only half full of operatives, as the "fixed charges" and "wear and tear" and depreciation of machinery are rather more than less when half the machinery is idle. So with all large mills of every kind.

#### "ROBBER BARONS."

These statements, which every intelligent, truthful American manufacturer will substantiate, will only confirm the Hon. ROGER Q. MILLS, the Hon. BENTON McMILLIN, etc., and all free traders made up of theorists in the schools, statesmen from nonmanufacturing sections, foreign-born importers camped in our country, merchants dealing largely in foreign goods, and the like, in their conviction that only "robber barons," "American sharks," "plunderers," "three-card monte men," as they call us, and generally disreputable men, desire a protective tariff to rob their fellow-men.

These few examples illustrate the intense desire of every free-trade writer I ever read or heard talk, privately or publicly, to "make out his case" rather than to know and tell the exact truth concerning manufacturers.

"Upon what have these free traders fed" that they, as by right, assume to cast contempt upon the truthfulness, integrity, ability, and patriotism of the men who have developed the manufacturing industries of this country? We would humbly suggest to them that we would be much gratified if they would set such an example of character, good manners, and accuracy in statement that we could point our children to them for example.

The following quotation from the speech of the Hon. ROGER Q. MILLS, made May 17, 1890, has been the refrain of all Democratic free traders:

From 1850 to 1880 the national wealth increased at the rate of 126 per cent—twice as much as it has increased during any decade of protection.

Your manufactures increased.

Your farmers increased more than 100 per cent.

The country was not threatened with bankruptcy.

It is a fact, as has been before stated, that these monstrous statements of the free traders find a color of justification in just one item given by the Hon. R. Q. MILLS, increase of wealth 126 per cent, etc., but there is not another item in the whole vast amount of evidence from the census, or from any other source to which we look for data on this question, that gives the slightest color to this statement.

For population, take mean between population in two census years for the States and national.

Mean population.			
1850-1860	27,317,593	1870-1880	44,072,077
1860-1870	35,015,846	1880-1890	56,389,016

#### All manufactures in the United States.

In 1850, total value of product was	\$1,018,106,616
From 1850 to 1860 increased \$11.27 per capita to	1,865,861,675
From 1860 to 1870 increased one-sixth greater, \$26.43 per capita, to	3,161,547,106
From 1870 to 1880 increased one-third greater, \$49.76 per capita, to	5,329,579,191
From 1880 to 1890 increased twofold greater, \$95.34 per capita, to	9,054,435,337

#### Selected industries in the United States.

##### CARPETS.

In 1850, total value of product was	\$5,401,234
From 1850 to 1860, increased \$0.09 per capita, to	7,858,000
From 1860 to 1870, increased 2½ times, \$0.24 per capita, to	16,256,000
From 1870 to 1880, increased 3½ times, \$0.33 per capita, to	31,793,000
From 1880 to 1890, increased 3 times, \$0.23 per capita, to	67,770,000

##### HOSIERY AND KNOT GOODS.

In 1850, total value of product was	1,028,102
From 1850 to 1860, increased \$0.23 per capita, to	7,251,000
From 1860 to 1870, increased four-fifths as fast, \$0.18 per capita, to	13,753,000
From 1870 to 1880, increased one-half faster, \$0.35 per capita, to	29,167,000
From 1880 to 1890, increased threefold faster, \$0.67 per capita, to	67,241,000

##### WOOLEN GOODS AND WORSTED GOODS.

In 1850, total value of product was	48,297,545
From 1850 to 1860, increased \$0.67 per capita, to	61,895,890
From 1860 to 1870, increased 3 times faster, \$2.02 per capita, to	116,098,020
From 1870 to 1880, increased seven-tenths faster, \$1.40 per capita, to	190,607,000
From 1880 to 1890, increased one-half as fast, \$0.30 per capita, to	130,578,000
In 1850—not given.	
From 1860 to 1880—not given (new industry).	
From 1860 to 1870, increased \$0.07 per capita, to	16,591,600
From 1870 to 1880, increased same increase, \$0.38 per capita, to	20,590,000
From 1880 to 1890, increased 2½ times faster, \$0.81 per capita, to	70,135,000

\* The manufactures not included in the census of 1890 deducted.

#### Selected industries in the United States—Continued.

##### COTTON GOODS.

In 1850, total value of product was	\$61,869,184
From 1850 to 1860, increased \$2.93 per capita, to	115,682,000
From 1860 to 1870, increased one-sixth as fast, \$0.48 per capita, to	132,565,000
From 1870 to 1880, increased one-half as fast, \$1.34 per capita, to	192,000,000
From 1880 to 1890, increased one-half as fast, \$1.35 per capita, to	267,982,000

##### Manufactures of Massachusetts.

##### COTTON GOODS.

In 1850, total value of product was	19,712,661
From 1850 to 1860, increased \$16.43 per capita, to	38,601,000
From 1860 to 1870, increased one twenty-fifth as fast, \$0.79 per capita, to	44,441,000
From 1870 to 1880, increased one-tenth faster, \$17.19 per capita, to	72,330,000
From 1880 to 1890, increased five-sixths as fast, \$19.89 per capita, to	100,292,000

##### WOOLEN GOODS.

In 1850, total value of product was	12,770,565
From 1850 to 1860, increased \$10.39 per capita, to	24,330,000
From 1860 to 1870, increased one-fifth faster, \$12.74 per capita, to	41,447,000
From 1870 to 1880, increased one-half faster, \$16.05 per capita, to	67,652,000
From 1880 to 1890, increased (worsted not included) \$2.60 per capita, to	72,681,000

##### IRON AND STEEL MANUFACTURES.

In 1860, total value of product was not given.	
In 1860 value of product was	3,037,000
From 1860 to 1870, increased \$1.61 per capita, to	5,194,000
From 1870 to 1880, increased twice as fast, \$3.14 per capita, to	10,289,000
From 1880 to 1890, increased 3 times faster than from 1860 to 1870, when every effort was made to extend it, \$4.53 per capita, to	11,201,000

##### ALL CLASSES OF MANUFACTURES.

In 1850, total value of product was	157,743,994
From 1850 to 1860, increased \$37.15 per capita, to	255,000,000
From 1860 to 1870, increased three-eighths faster, \$19.79 per capita, to	416,600,000
From 1870 to 1880, increased more than one-half as fast again, \$132.72 per capita, to	631,000,000
From 1880 to 1890, increased nine-twentieths faster, \$127.70 per capita, to	888,000,000

##### Manufactures of Pennsylvania.

##### COTTON GOODS.

In 1850, total value of product was	5,322,362
From 1850 to 1860, increased \$1.19 per capita, to	13,650,000
From 1860 to 1870, decreased one-twentieth as fast, \$0.19 per capita, to	13,065,000
From 1870 to 1880, decreased one-sixth as fast, \$0.52 per capita, to	11,021,000
From 1880 to 1890, increased five-sixths as fast, \$2.18 per capita, to	18,431,000

##### WOOLEN GOODS.

In 1850, total value of product was	5,321,866
From 1850 to 1860, increased \$0.29 per capita, to	13,016,000
From 1860 to 1870, increased 265 times as fast, \$7.70 per capita, to	37,745,000
From 1870 to 1880, increased 265 times as fast, \$7.70 per capita, to	67,821,000
From 1880 to 1890, increased 218 times as fast, \$6.33 per capita, to	89,337,000

##### IRON AND STEEL MANUFACTURES.

In 1850—not given.	
In 1860, value of product	27,853,206
From 1860 to 1870, increased \$14.91 per capita, to	75,775,000
From 1870 to 1880, increased one-fifth faster, \$17.99 per capita, to	145,576,000
From 1880 to 1890, increased 2½ times faster than from 1860 to 1870, \$35 per capita, to	204,572,000

##### FIG IRON.

In 1850, total value of product was	6,071,513
From 1850 to 1860, increased \$1.99 per capita, to	11,263,000
From 1860 to 1870, increased twice as fast, \$4.08 per capita, to	24,579,000
From 1870 to 1880, increased 2½ times as fast, \$5.43 per capita, to	45,574,000
From 1880 to 1890, increased 4 times as fast, \$8.72 per capita, to	75,213,000

##### ALL CLASSES OF MANUFACTURES.

In 1850, total value of product was	155,044,910
From 1850 to 1860, increased \$51.74 per capita, to	290,000,000
From 1860 to 1870, increased three-eighths faster, \$27.19 per capita, to	532,000,000
From 1870 to 1880, increased 5 per cent faster, \$54.39 per capita, to	745,000,000
From 1880 to 1890, increased 3½ times faster, \$172.64 per capita, to	1,332,000,000

##### Manufactures of Alabama.

##### COTTON GOODS.

In 1850, total value of product was	382,260
From 1850 to 1860, increased \$0.76 per capita, to	1,040,000
From 1860 to 1870, decreased \$0.23 per capita, to	813,000
From 1870 to 1880, increased one-half as fast, \$0.37 per capita, to	1,228,000
From 1880 to 1890, increased nine-tenths as fast, \$0.09 per capita, to	2,190,000

##### WOOLEN GOODS.

In 1850—not given.	
In 1860, total value of product	191,474
From 1860 to 1870, decreased \$0.13 per capita, to	67,000
From 1870 to 1880, decreased \$0.003 per capita, to	63,000
From 1880 to 1890, increased \$0.10 per capita, to	207,000

##### IRON AND STEEL MANUFACTURES.

In 1850—not given.	
In 1860, value of product	73,140
From 1860 to 1870, increased \$0.11 per capita, to	181,000
From 1870 to 1880, increased elevenfold faster than from 1860 to 1870, \$1.12 per capita, to	1,452,000
From 1880 to 1890, increased sevenfold faster than from 1870 to 1880, \$7.99 per capita, to	10,315,000

##### FIG IRON.

In 1850, total value of product was	22,500
From 1850 to 1860, increased \$0.05 per capita, to	64,000
From 1860 to 1870, increased double, \$0.09 per capita, to	157,000
From 1870 to 1880, increased twenty-two fold, \$1.10 per capita, to	1,405,000
From 1880 to 1890, increased sixfold faster than from 1870 to 1880, \$6.43 per capita, to	10,315,000

*Manufactures of Alabama—Continued.*

## ALL CLASSES OF MANUFACTURES.

In 1850, total value of product was.....	\$4,328,870
From 1850 to 1860, increased \$6.91 per capita, to.....	10,000,000
From 1860 to 1870, decreased \$1.02 per capita, to.....	9,000,000
From 1870 to 1880, increased \$3.54 per capita, to.....	13,000,000
From 1880 to 1890, increased fourfold faster than from 1850 to 1860 and eightfold faster from 1870 to 1880, to.....	51,000,000

*Manufactures of Maryland.*

## COTTON GOODS.

In 1850, total value of product was.....	2,120,504
From 1850 to 1860, increased \$1.34 per capita, to.....	2,974,000
From 1860 to 1870, increased \$0.88 per capita, to.....	3,625,000
From 1870 to 1880, increased \$1.23 per capita, to.....	4,682,000
From 1880 to 1890, increased \$0.77 per capita, to.....	5,459,000

## WOOLEN GOODS.

In 1850, total value of product was.....	295,140
From 1850 to 1860, increased \$0.54 per capita, to.....	642,000
From 1860 to 1870, decreased \$0.43 per capita, to.....	332,000
From 1870 to 1880, increased \$0.24 per capita, to.....	539,000
From 1880 to 1890, increased \$0.22 per capita, to.....	769,000

## IRON AND STEEL MANUFACTURES.

In 1850, not given.	
From 1850 to 1860, not given.	
From 1860 to 1870, increased \$3.02 per capita, to.....	4,270,000
From 1870 to 1880, increased \$0.23 per capita, to.....	4,470,000
From 1880 to 1890, decreased \$1.02 per capita, to.....	2,869,000

## PIG IRON.

In 1850, total value of product was.....	1,056,400
From 1850 to 1860, decreased \$0.50 per capita, to.....	740,000
From 1860 to 1870, increased \$1.17 per capita, to.....	1,001,000
From 1870 to 1880, increased \$0.12 per capita, to.....	1,709,000
From 1880 to 1890, decreased \$0.08 per capita, to.....	1,632,000

## ALL CLASSES OF MANUFACTURES.

In 1850, total value of product was.....	33,043,892
From 1850 to 1860, increased \$14.17 per capita, to.....	42,000,000
From 1860 to 1870, increased one-half as fast again, \$20.44 per capita, to.....	57,000,000
From 1870 to 1880, increased 4 times as fast, \$38.51 per capita, to.....	107,000,000
From 1880 to 1890, increased 4 times as fast, \$65.53 per capita, to.....	172,000,000

*Manufactures of Virginia.*

## COTTON GOODS.

In 1850, total value of product was.....	1,486,384
From 1850 to 1860, increased \$0.032 per capita, to.....	1,490,000
From 1860 to 1870, decreased \$0.29 per capita, to.....	1,073,000
From 1870 to 1880, decreased \$0.02 per capita, to.....	1,041,000
From 1880 to 1890, increased \$0.44 per capita, to.....	1,733,000

## WOOLEN GOODS.

In 1850, total value of product was.....	841,013
From 1850 to 1860, decreased \$0.08 per capita, to.....	717,000
From 1860 to 1870, decreased \$0.25 per capita, to.....	365,000
From 1870 to 1880, increased \$0.15 per capita, to.....	578,000
From 1880 to 1890, increased \$0.02 per capita, to.....	610,000

## IRON AND STEEL MANUFACTURES.

In 1850, not given.	
In 1860, total value of product was.....	2,007,058
From 1860 to 1870, increased \$0.08 per capita, to.....	2,119,000
From 1870 to 1880, increased \$0.34 per capita, to.....	2,586,000
From 1880 to 1890, increased \$2.36 per capita, to.....	6,326,000

## PIG IRON.

In 1850, total value of product was.....	521,924
From 1850 to 1860, decreased \$0.14 per capita, to.....	308,000
From 1860 to 1870, increased \$0.11 per capita, to.....	463,000
From 1870 to 1880, decreased \$0.02 per capita, to.....	441,000
From 1880 to 1890, increased sixteenfold faster, \$2.50 per capita, to.....	8,925,000

## ALL CLASSES OF MANUFACTURES.

In 1850, total value of product was.....	29,602,507
From 1850 to 1860, increased \$13.92 per capita, to.....	51,000,000
From 1860 to 1870, decreased \$15.59 per capita, to.....	20,000,000
From 1870 to 1880, increased one-sixth faster, \$16.80 per capita, to.....	52,000,000
From 1880 to 1890, increased five-sixths faster, \$22.72 per capita, to.....	88,000,000

*Manufactures of Tennessee.*

## COTTON GOODS.

In 1850, total value of product was.....	510,624
From 1850 to 1860, increased \$0.18 per capita, to.....	638,000
From 1860 to 1870, increased one-fourth as fast, \$0.04 per capita, to.....	703,000
From 1870 to 1880, increased two-thirds as fast, \$0.12 per capita, to.....	875,000
From 1880 to 1890, increased five and one-half fold faster, \$0.99 per capita, to.....	2,598,000

## WOOLEN GOODS.

In 1850, total value of product was.....	6,310
From 1850 to 1860, increased \$0.01 per capita, to.....	8,000
From 1860 to 1870, increased 43 times as fast, \$0.43 per capita, to.....	521,000
From 1870 to 1880, increased 7 times as fast, \$0.07 per capita, to.....	621,000
From 1880 to 1890, increased 36 times as fast, \$0.36 per capita, to.....	1,216,000

## IRON AND STEEL MANUFACTURES.

In 1850, not given.	
In 1860, total value of product.....	1,344,618
From 1860 to 1870, decreased \$0.17 per capita, to.....	1,145,000
From 1870 to 1880, increased \$0.81 per capita, to.....	2,574,000
From 1880 to 1890, increased \$1.19 per capita, to.....	4,248,000

## PIG IRON.

In 1850, total value of product was.....	878,100
From 1850 to 1860, decreased \$0.12 per capita, to.....	550,000
From 1860 to 1870, increased 2 fold, \$0.26 per capita, to.....	857,000
From 1870 to 1880, decreased \$0.02 per capita, to.....	840,000
From 1880 to 1890, increased 13 times faster, \$1.53 per capita, to.....	3,366,000

*Manufactures of Tennessee—Continued.*

## ALL CLASSES OF MANUFACTURES.

In 1850, total value of product was.....	\$9,725,008
From 1850 to 1860, increased \$7.58 per capita, to.....	18,000,000
From 1860 to 1870, increased \$6.76 per capita, to.....	26,000,000
From 1870 to 1880, increased \$7.86 per capita, to.....	37,000,000
From 1880 to 1890, increased 3 times faster, \$21.14 per capita, to.....	72,000,000

*Manufactures of Georgia.*

## COTTON GOODS.

In 1850, total value of product was.....	2,135,044
From 1850 to 1860, increased \$0.24 per capita, to.....	2,371,000
From 1860 to 1870, increased \$0.32 per capita, to.....	2,738,000
From 1870 to 1880, increased one hundredfold faster, \$2.75 per capita, to.....	6,482,000
From 1880 to 1890, increased one hundred and thirty-sevenfold faster, \$3.30 per capita, to.....	12,630,000

## WOOLEN GOODS.

In 1850, total value of product was.....	88,750
From 1850 to 1860, increased \$0.38 per capita, to.....	464,000
From 1860 to 1870, decreased \$0.31 per capita, to.....	119,000
From 1870 to 1880, increased \$0.09 per capita, to.....	230,000
From 1880 to 1890, increased \$0.06 per capita, to.....	340,000

## IRON AND STEEL MANUFACTURES.

In 1850, not given.	
From 1850 to 1860, not given.	
From 1860 to 1870, increased \$0.43 per capita, to.....	651,000
From 1870 to 1880, increased \$0.30 per capita, to.....	991,000
From 1880 to 1890, decreased \$0.31 per capita, to.....	471,000

## PIG IRON.

In 1850, total value of product was.....	57,300
From 1850 to 1860, decreased \$0.63 per capita, to.....	31,000
From 1860 to 1870, increased \$0.03 per capita, to.....	35,000
From 1870 to 1880, increased \$0.32 per capita, to.....	467,000
From 1880 to 1890, decreased \$0.06 per capita, to.....	330,000

## ALL CLASSES OF MANUFACTURES.

In 1850, total value of product was.....	7,082,075
From 1850 to 1860, increased \$10.18 per capita, to.....	17,000,000
From 1860 to 1870, increased one-half as fast, \$5.35 per capita, to.....	23,000,000
From 1870 to 1880, increased \$0.54 per capita, to.....	35,000,000
From 1880 to 1890, increased twice as fast, \$19.58 per capita, to.....	69,000,000

It will be noticed by the tables given that on carpets the increase was two and one-half times more under protection from 1860 to 1870 than under the free-trade tariff of 1846, from 1850 to 1860. Under the protective tariff it was three and one-half times more from 1870 to 1880, and three times more from 1880 to 1890 than from 1850 to 1860.

On hosiery and knit goods it increased four-fifths more from 1860 to 1870 under protection than from 1850 to 1860 under the free-trade tariff, one-half more from 1870 to 1880, and threefold more from 1880 to 1890.

On woollen goods the increase was three times more from 1860 to 1870 than from 1850 to 1860; seven-tenths more from 1870 to 1880, and one-half more from 1880 to 1890; while on cotton goods, every tariff having been fairly protective from the day the industry began in the United States, it shows a much less increase; but it did increase one-sixth more from 1860 to 1870 under protection than from 1850 to 1860 under free trade; one-half more from 1870 to 1880, and one-half more from 1880 to 1890.

In Massachusetts the increase upon cotton goods was very little above that from 1850 to 1860 until 1880 to 1890, when the increase was five-sixths more than from 1850 to 1860.

The statistics on woollen goods are given in the censuses in such varying forms that it is impossible to figure from the census, as sometimes woollen goods include all manufactures of wool and sometimes strictly woollen goods, and then worsted goods, carpets, etc.

Even in iron and steel manufactures in Massachusetts the increase was twice more from 1870 to 1880 as from 1860 to 1870 (the figures are not given for 1850), and three times more from 1880 to 1890 than from 1860 to 1870.

All classes of manufactures in Massachusetts increased per capita three-eighths more from 1860 to 1870, under a protective tariff, than from 1850 to 1860, under the free-trade tariff of 1846, and more than one-half more from 1870 to 1880, and nine-twentieths more from 1880 to 1890 than from 1850 to 1860. But I will not detain you by going through the figures for the various States. There are no statements that should excite greater interest in a lover of his country and prompt to careful examination, than these statistics that I have prepared with so much labor and pains.

## FREE TRADERS ARE "BLIND LEADERS OF THE BLIND."

Evidence so conclusive, so overwhelming as this, of the utter untruthfulness of the statements of the free traders concerning the effect on this country of Democratic free-trade tariffs and Republican protective tariffs, was never excelled by any evidence in any case since the world began, and yet these men, "blind leaders of the blind," have done as much to injure the country and to retard its prosperity, relatively, first to last, by their legislation, and will continue to do so, as any invasion of any civilized country in the last hundred years ever did to injure the country invaded. To a man who has the slightest capacity to appreciate the value



of facts in economics, any words I can add will not increase the effect of these crushing statistics. If these are not conclusive in the case, statements or arguments are wasted upon free traders.

WILSON BILL PASSED UNDER DEMOCRATIC PARTY LASH.

There were scores of Democrats in both the House and the Senate who realized what the effect of the Wilson bill would be if it passed, but the party lash drove most of them into voting for it. Only six braved the displeasure of the Democratic free-trade leaders; and the following order had to be issued on January 6, 1894, introduced by the Hon. THOMAS C. CATCHINGS, to compel the attendance of the reluctant Democrats, and adopted:

Mr. CATCHINGS introduced a resolution from the Committee on Rules, as follows:

"Ordered, That the Sergeant-at-Arms take into custody and bring to the bar of the House such of its members as are absent without leave of the House. This order shall continue in force beyond the adjournment of the session of to-day and until the further order of the House. The Sergeant-at-Arms is directed to employ a sufficient number of deputies to execute this order and take into custody said absentees wherever they may be found."

Furthermore, it is a matter of public knowledge in Congress that the wise Democratic leaders in the Senate were determined that the McKinley tariff should not be repealed. By some mistake, the knowledge of their determination came to President Cleveland and he revealed it to Speaker Crisp, and the leaders of the House called the Gorman tariff bill back from the hands of the conference committee of the two bodies and under the party lash rushed it through the House and Senate, thus repealing the McKinley tariff. The programme of the wise leading Democrats was to claim on the stump that they had done all they could to repeal the McKinley tariff and had failed, they knowing that the disasters that would follow the adoption of the Wilson-Gorman tariff would shortly give the Republicans the election in 1896, as it has done.

[Hon. Benton McMillin, May 8, 1890.]

We are to be congratulated that we have reached a question where sectionalism is impossible and where cursing of brother by brother can no longer be heard.

The present tariff system was adopted in time of war under pretext that it was necessary to carry on the war and only to be temporary. Pretending that it was only temporary in its needs and demands, it asks more protection as the industries grow older.

[Hon. Charles F. Crisp, May 8, 1890.]

When the Morrill bill was passed, it was passed as a war measure.

[Hon. W. L. Wilson, January 8 and 9, 1894.]

Protection, when expelled from our revenue laws, never came back into them with the conscious and intelligent assent of the American people. It crept stealthily in through the back door, when the people were in the agony of civil war, and it now seeks to hold its position because the people are in the agony of a commercial crisis. [Applause.]

It deliberately fastened upon the country a higher system of permanent expenditure, while it as deliberately proceeded to reduce revenues after the manner of protection, by repealing revenue taxes and by diverting a larger share of other taxes from the public Treasury into private pockets.

Sir, the dependent-pension bill would never have passed had there not been an overflowing Treasury to empty, and had there not been devised along with that bill a new scheme of taxation, under which those other pensioners, the protected industries of the country, were to get the first pull and the largest share of the taxes levied to pay pensions. [Applause on the Democratic side.]

Mr. Chairman, although . . . we have not the daily income to meet the daily expenditure, the burden of taxation has not been lightened. An examination of the returns of that taxation to-day shows that while the Treasury is starving the people are paying heavier taxes than they ever paid before. . . . Yet they hastened down again in 1890 and added nearly 50 per cent to the taxes exacted for their benefit from the consumers of woolen goods in this country.

THE MORRILL TARIFF NOT A WAR MEASURE.

Another untruth, persistently repeated again and again, is that the Morrill tariff was a war measure, as shown in the above quotations. Nothing could be further from the truth. Tariff legislation to increase the revenues was recommended by James Buchanan in a message to Congress long before. That bill was passed by a Democratic House, a Democratic Senate, and approved by James Buchanan, a Democratic President, on March 3, 1861, when it was not believed in the country, except at the South, that there would be any civil war. The bill was framed and every item in it adopted months before it was believed that the threat of war was serious.

Fort Sumter was not fired upon until April 12, and until that event the country was resting, practically, in absolute security, although that event proved that it was a false security. How a man like the Hon. William L. Wilson can be oblivious to the utter want of truth in such statements as he habitually makes concerning a protective tariff could not be believed did we not have his sayings before us. Any amount of further evidence of how oblivious these free traders are to facts is not wanting. Listen to what the Hon. Henry G. Turner and others said in the House on January 3, 1894:

Mr. Chairman, that allusion to the principles of the Confederate constitution has been heard before in tariff debates. [Laughter.]

Reference has been made to the duty on rice. The rice industry is an

exotic in this country, an industry which was unable to flourish unless New England had sold us the laborers for its cultivation. [Applause on Democratic side.] Their descendants are now free, but they have made little progress, and can not compete in other fields of labor. . . . If the gentlemen on the other side desire to strike off such incidental benefit as the rice duty affords to these poor people, let them rise in their places and take the responsibility. [Applause on the Democratic side.]

[Hon. C. R. Breckinridge, January 30, 1894.]

Upon the question of tariff reform the country has had for a number of years a most thorough campaign of education.

What methods have not been employed in reaching our present conclusions! The Democratic members of the Committee on Ways and Means, with an earnest desire to meet the reasonable expectations of all elements of the party, have conferred with our friends of every difference and shade of opinion, and in the fullest, frankest, and most candid manner.

[Hon. W. L. Wilson.]

We have acted honestly, boldly, and unselfishly in framing this bill.

DEMOCRATIC PROTECTION FOR THE SOUTH; DESTRUCTION FOR THE NORTH.

I have not the slightest doubt that Mr. Wilson thoroughly believed himself when he uttered those words, and that they were absolutely true to him, for his want of knowledge of the economic conditions of his country and his utter inability to appreciate an economic fact left him open to the most outrageous impositions by designing persons.

Never were the coarse cottons of the country, now manufactured at the South, any more thoroughly protected than in the Wilson bill.

Florida clay had a duty of \$3 a ton; New Jersey clays free.

Strap iron, for use at the South as cotton ties, came in free, but all other strap iron, for baling hay and all other purposes, had a duty of 35 per cent, and the iron out of which these cotton ties were made had a duty of 35 per cent, which killed the industry in this country.

Northern potatoes and many other agricultural products, a duty of 7 per cent; Southern peanuts, 35 per cent.

Northern grains of all kinds, 20 per cent; Southern rice, 1½ cents per pound, about 84 per cent.

Southern sumac a heavy duty; Southern dressed lumber, dutiable.

That eminent Democrat, Mr. Thompson, president of the lead trust, secured specific duties on lead paints.

The eminent Democrat, Hon. Frank Jones, of New Hampshire, said to be largely interested in building up a Canadian town which manufactures large quantities of lime, secured free lime.

The Hon. Henry L. Pierce, the eminent mugwump from New England, found a duty of from 3 to 8 cents per pound, specific, on manufactured chocolate, cocoa, and broma, and after it was safely in the bill protested against it, but the committee was so impressed by his sincerity that they kept it in the tariff.

Cotton-bale bagging has a specific clause as to custom-house drawbacks not given to grain bags or any other Northern articles.

Tennessee marble, in the rough state, was carefully taken care of by a duty of 20 per cent. Granite, which is quarried in New England, was put on the free list; and so ignorant were they of trade names even, that they put "linen hydraulic hose" in the schedule of "wearing apparel" with a duty of 35 per cent, in section 279 of the Wilson bill, and if their attention had not been called to it in warning, they probably would have put "hydraulic rams" in the clause admitting breeding animals free.

The Wilson bill was sent over to the Senate with a duty of 5 per cent on sole leather and belting leather. A day or two after I noticed this duty I saw the Hon. Thomas E. Proctor, of Boston, the head of the great United States Leather Company Trust, a man who is so fierce a free trader and so opposed to protection that he always declares in conversation that all tariff taxation is but "legalized robbery." Seeing him in Washington, I said: "Well, Mr. Proctor, are you traveling for your health? Do you find the air of Washington, under the dominion of the free-trade Democrats, exhilarating?" "Oh," he said, "I thought I would just run down to Washington for a little rest." In a day or two I saw that they had changed the tariff on sole leather and belting leather from 5 per cent to 10 per cent.

FREE COAL.

How ill informed was the Hon. William L. Wilson of the actual tariff conditions between this country and Canada on a matter generally known to others, is shown by the following quotations of remarks made to correct him in the House on January 27, 1894:

Mr. ALDERSON. Mr. Chairman, I desire to call the attention of the members of the committee, and especially of the gentleman from West Virginia [Mr. Wilson], to the fact that he is mistaken in the statement made by him on January 23 last, that the legislative acts of the Dominion of Canada declare "that when the duty on Canadian coal is taken off by the United States, the duty upon United States coal will be taken off by Canada." In support of his statement, the chairman of the Committee on Ways and Means [Mr. Wilson] quoted the following language from the act of the legislature of Canada:

"Under proclamation of the governor in council, which may be issued whenever it appears to his satisfaction that similar articles from Canada may be imported into the United States free of duty, or at a rate of duty not exceeding that payable on the same under such proclamation when imported into Canada."

I presume the gentleman quotes from section 9 of chapter 33, of the Revised Statutes of Canada for 1860. \* \* \* Mr. Chairman, the gentleman from West Virginia has evidently overlooked the fact that by an act "assented to" May 22, 1888, section 9 before mentioned was amended. I quote from this act, viz:

"Section 9 of the said act is hereby repealed," etc.

As bearing upon this subject I quote a telegram which has been received by Hon. William Lamb from Sir J. S. Thompson, attorney-general of Nova Scotia, premier and minister of justice of the Dominion of Canada:

OTTAWA, ONTARIO, January 25, 1894.

WILLIAM LAMB:

There is no enactment in Canada making free admission of coal a necessary result of the taking off of duty in United States or authorizing governor in council by proclamation to make coal free in Canada.

J. S. THOMPSON.

In the speech made in the House by the Hon. JAMES A. TAWNEY on January 24, 1894, he quoted from a letter written by the Hon. Henry Petit, president of the French committee "appointed to secure the repeal of the McKinley bill." This letter is addressed to the chamber of commerce and syndical chambers of France. In it Mr. Petit says:

I have the honor to inform you that the French committee for furthering the abolition of the McKinley bill was completed November 16, in the sitting held at the Grand Hotel.

The latest communications received from Washington authorize us in thinking that the project in view of a general American tariff abolishing the McKinley bill will be brought forward in December by Mr. William L. Wilson, president of the Committee on Ways and Means of the Congressional House of Representatives.

Our delegate, M. Leon Shotteau, will then be in Washington. \* \* \* He will attend the legislative debates, give us an account of the proceedings, and endeavor to get the desires and wishes which we have imparted to him incorporated in the new law.

#### SENATOR VEST'S STINGING WORDS.

So much for the success which Mr. Wilson attained in "boldly and unselfishly framing the Wilson bill;" but when he said "we," if he meant himself alone, he acted honestly. No man who knows him will doubt his word. No wonder the Hon. GEORGE G. VEST said in the Senate, of his associates, when he saw the Wilson bill Gormanized, in view of the Democratic platform adopted at Chicago in 1893, that "the Democratic party had been nibbled by pismires and kicked by grasshoppers." But when these words were reported to the wage workers of the country, they replied to Mr. VEST: "In your Wilson bill we are bitten by vipers and stung by adders."

The stinging letter of Mr. Carlisle addressed to Senator HARRIS, concerning the tariff, was said to have been written without the President's knowledge, but Secretary Carlisle told Congressman MEYER that he wrote his letter to Senator HARRIS with the full approval of the President, and that the views which he expressed were those of Mr. Cleveland. This statement was published in the Journal of September 13, 1894.

#### DEMOCRATIC OUTCRY AGAINST DUTIES ON WOOL.

The outcry of the Democratic free traders against the duty on wool is one of the curiosities of legislation. What article could by any possibility be selected for taxation that would make the taxes bear most heavily on the North, with its rigorous climate, and rest more lightly on the sunny South than wool, or what article can be selected more meet for taxation as a luxury than carpet wools and carpets? It is believed by those competent to speak upon the subject that 99 per cent of all the increased cost in woolen goods because of a duty of 11 cents a pound on wool has been paid by the people in the northern half of this country. Furthermore, it is believed as well, that nine-tenths of all taxation, all tariff taxation, and all Government taxation of every name and nature is paid by the people in the northern half of this country in the things they consume.

Furthermore, taking the expenditures under the river and harbor bills and under the postal service and on subsidies to railways for fast-mail service in the South, it is believed that three dollars are expended by the National Government in the States south of Maryland and of the Ohio River and east of the Mississippi River where those people in any form whatever, pay into the United States Treasury one dollar. The whole country rejoices in its ability to thus build up the waste places of our common country, particularly the section which suffered so severely and made itself so poor by the civil war. There is nothing that rejoices the hearts of right-minded men in the whole country, and particularly in New England, more than to see the South coming forward and taking possession, as they are, of the coarser manufacturing of the North, driving the North into the manufacture of the finer grades of products, knowing that the South will also soon follow in manufacturing the finer grades, as her mechanics become more and more skilled. This is particularly illustrated in the cases of the products of iron and cotton manufacturing.

#### KEY TO THE PROTECTIVE SITUATION HELD BY THE FARMER.

The key to the whole protective situation, and rightly, is in the hand of the farmer, a considerable part of which is involved in the duty on wool. Under the fostering care of a protective tariff the United States has come to produce one-ninth of all the wool in

the world, and because of the production of so much wool here wool is cheaper to all the wage workers of the world by a very considerable percentage. Destroy the growing of wool in the United States, and wool will cost very materially more the world over. Furthermore, it is of the greatest consequence to the farmer in every respect that he be encouraged in the sheep industry. It gives him not only clothing for his back, food for his mouth, but the keeping of sheep is more enriching to the land than that of any other animal. The following statement is exceedingly suggestive on this question:

#### DEPARTMENT OF AGRICULTURE, OFFICE OF THE SECRETARY.

Washington, D. C., May 25, 1894.

DEAR SIR: In reply to your letter of the 24th instant, the statement which I inclose gives the number of sheep and quantity of wool produced, as shown by each census from 1850 to 1890, inclusive, with the average yield of wool per sheep as computed from these data.

Respectfully,

J. STERLING MORTON, Secretary.

Hon. J. H. WALKER, M. C.,

House of Representatives, Washington, D. C.

#### NUMBER OF SHEEP AND YIELD OF WOOL IN THE UNITED STATES.

The following are the figures on the number of sheep in the United States and the quantity of wool produced, as shown by each census from that of 1850 to that of 1890, inclusive:

Census year.	Number of sheep.	Pounds of wool produced.	Average per sheep in pounds.		
			Census.	S. N. D. North Wool Book, 1892, p. 15.	Wool and Cotton Reporter.
1840.....				1.9	1.9
1850.....	21,723,230	32,516,850	2.43	2.4	2.4
1860.....	22,471,275	60,264,913	2.68	2.7	2.7
1870.....	28,477,651	100,102,387	3.52	3.5	3.5
1880.....	35,102,074	108,481,751	4.79	4.8	4.8
1890.....	635,935,364	165,449,230	4.60	4.55	4.55
1892e.....				4.8	4.8
1893.....				4.5	4.5
1894.....				4.3	4.3

a The quantity set down in the census table is 155,681,751, but a footnote states that this is exclusive of the fall clip of sheep reported on farms in Texas and California, amounting to 13,000,000 pounds. It is also exclusive of certain other quantities, but these were obtained from other sheep than those reported in the table, including 7,000,000 on ranches and ranges whose wool product is separately reported at 34,000,000 pounds.

b Exclusive of spring lambs.

c The number of fleeces shorn in the fall of 1889 and spring of 1890 was 32,123,898, and the quantity of wool stated in the table is given as the product of these fleeces, the average yield per fleece being 5.15 pounds. From this it appears that the average per sheep in pounds for 1890, as shown in the last column of the table, is 0.55 pound below the average for the sheep actually sheared; and it is probable that the average for the other years may be subject to a similar correction.

d 1891.

e Increased clip to each sheep since 1890, two-thirds more.

In view of the fact that goods from European ports can be delivered to ports in this country for an average of about one-half in ocean freights what it costs to deliver the goods from our own factories to the same distributive points, it is believed by the men in this country who from experience and investigation are best competent to give an opinion upon the question that an absolutely free-trade tariff would surrender the whole length of the Atlantic Slope east of the Alleghany Mountains and much besides to European manufacturers of every manufactured product that can be named.

And here I want to call the attention of the House to the singular fact, as showing the different ideas of what is fair as between gentlemen and what is honorable as between parties in a tariff discussion upon the part of Democrats and Republicans, that the Hon. William L. Wilson, chairman of the Committee on Ways and Means, kept his speech out of the RECORD, so that it could not be replied to authoritatively, from January 9 to January 23, thirteen days; the Hon. BENJAMIN MCMILLIN, nineteen days; the Hon. Henry G. Turner, seven days; the Hon. William J. Bryan, thirteen days—all members of the committee, and only Mr. Wilson in bad health—an average of thirteen days; while the speech of the Hon. THOMAS B. REED appeared immediately, as did also that of the Hon. SERENO E. PAYNE; that of Hon. J. C. BURROWS appeared in two days, and the Hon. JOHN DALZIELL in five days, making an average of a little over a day that the Democrats had to wait to know exactly what was said by the Republican members of the committee, that they might make a proper reply. This illustrates the general conduct as between the gentlemen composing the two parties.

#### DEMOCRATIC METHODS.

Again, when the Republican protectionists are revising the tariff the meetings of their committee are open to farmers, wage workers, manufacturers, and all citizens alike. Every citizen is given a reasonable chance to give what information he may have. When the Democratic free traders are framing a tariff they assume that the manufacturers of this country, except a few of the



"democratic persuasion," are thoroughly unreliable, as they call them, and these Democrats do not hesitate to allude to them in their speeches in the most opprobrious terms. It is singular that the man who had more to do with the framing of the Wilson bill than all other men in this country, on the committee or off, was Mr. Jacob Schoenhof, a man in whom the honorable merchants and manufacturers of this country had less confidence as to integrity and fairness, not to say truthfulness, than any other man who could have been found in the land by the most careful searching; and what he gave the committee for truth has been proved over and over to be the exact opposite of the truth; and this is not only a case of error in the framing of the tariff of 1894, but this is the course always pursued by the free traders in revising the tariff.

#### FREE TRADERS SNEER AT PATRIOTISM.

There is no more discreditable chapter in the language than admissions of the Democratic free traders and their repudiating and decrying the noblest of all passions, second only to that of love of parents and children, namely, patriotism, love of country; and in this again is the Hon. George McDuffie their mentor, teacher, and leader, as he is in all free-trade arguments. Listen to the following, from the Boston Herald, deprecating patriotism, in sneering at love of the American flag—the leading free-trade paper of the Northeastern section of our country:

[From the Boston Herald, editorial column, Thursday, December 17, 1891.]

The bill introduced into the United States Senate by Senator Sherman, of Ohio, intending to promote and encourage the display of the flag of the United States, shows that a mania, which we believe had its origin in this part of New England, is threatening to extend all over the country. \* \* \* What is the special gain in this ultra fervid devotion to a mere symbol? Our flag is nothing more than a number of pieces of textile fabric, of three different colors, sewn together for the purpose of making a predetermined combination. \* \* \* So the patriotic ideal is in itself a selfish conception of humanity, unduly exalting one community of the world's people at the expense of all others.

It is also recognized by English statesmen and publicists that free trade is inconsistent with a feeling of patriotism.

#### ENGLISH TESTIMONY.

That the principle of free trade is antagonistic to that of patriotism is boldly stated by W. Peart Robinson, B. A., of Balliol College, Oxford, England, in an article in the Westminster Review, as follows:

Nationalism is (to borrow a Darwinian term) the natural check to free trade, and for this reason, that whereas free trade would commercially benefit the human race probably more than any other measure, if universally adopted, it would correspondingly interfere with the national principle or idea.

It is obvious that the national idea (patriotism, or whatever it be called) militates against the adoption of universal free trade. The desire is felt to nurse home industries with the object of keeping as many persons employed as possible, and so provided with subsistence within the boundaries marked out by this political unit.

Hon. George McDuffie makes the following observations on the subject:

Another specious and imposing argument which has been very successfully used in favor of the protecting system is that it will increase the national independence. This, like the notion of paying tribute to foreign industry, addresses itself to the prejudices of patriotism, and passes current without examination. \* \* \*

Northern manufacturers, \* \* \* as we have heard a thousand times, \* \* \* are waging a great national contest in favor of domestic industries and against foreign industries, and it is gravely contended that every patriot is bound upon his allegiance to take sides with the domestic against the foreign belligerent.

#### COLONIES OF GREAT BRITAIN BELIEVE IN PROTECTION.

Free trade is so repugnant to all national and patriotic feeling that it has steadily lost ground for twenty years. Every colony, even of Great Britain has adopted a protective tariff, even against the mother country. Mr. Gladstone, in a recent speech, most lugubriously says of free trade:

Great Britain remains to-day the solitary adherent.

Never were truer words spoken than that free trade is repugnant to every noble instinct shown in the love of home, love of our native town, of our native city, and of our country.

#### PURE MEN THE SOURCE OF CLEAN GOVERNMENT.

Free traders always assume that they have a right to rule by right Divine, and that all the virtues are theirs alone. Whatever may be their history or experiences, they assume that they "are not as other men are." The Hon. Grover Cleveland, at the dedication of the Mary Washington monument, on Wednesday, May 10, 1894, used the following language:

As a clear and wholesome stream must have its flow from a pure fountain head, so must a clean and beneficent popular government have its source in pure and morally healthy men.

And the Hon. W. C. P. Breckinridge, of Kentucky, on January 11, 1894, remarked:

But, Mr. Chairman, when you go through that great city of Boston, when you see her great buildings, when you see even her schools of charity, and when you go deeper and find that they are based on the tariff on copper, the tariff on this article and that, you can not help having in your heart a certain feeling of regret that those princely fortunes did not rest upon the golden rule of doing unto others as you would have them do to you, instead of upon the principle of getting out of others something for which you gave nothing in return. [Applause on the Democratic side.]

How his pure soul was shocked as he walked the streets of Boston.

And what a shelter the noble sacrifices made by these Democratic statesmen for free trade, make for them in adversity. That they should be bearded in their den and routed by what they call the robber barons, American sharks, and three-card-monte men is very humiliating, as shown by the following words of the Hon. Mr. Breckinridge:

[Newspaper item.]

PROUD OF HIS RECORD.

LAGRANGE, KY., May 28.

Colonel Breckinridge had come from Washington to speak to his friends in Oldham County. In his ten years of service as their Representative there never was a time when he had not tried to serve them to the best of his ability. At the same time he wore no man's collar and he was an enemy of all kinds of jobs. For this he was detested and hated by the monopolists, and this way he had earned the ill will and hostility of the high-protection tariff men.

He said that after the election of Cleveland for the first time the Democratic party presented the spectacle of being unable to support its principles. On the very day the lightning flashed the story of Cleveland's defeat to Washington he pledged to Mr. Cleveland his support years from that time. He told how he talked to the people of seventeen different States, educating them up to the idea of tariff reform, and how this education had caused the people to triumphantly elect Mr. Cleveland for a second term. "They tell you that Charles Stewart Parnell was turned out of Parliament. Can anybody give the name of his successor?"

The speaker then referred to his war record in such a touching manner that many of the old Confederate soldiers present shed tears.

#### FARMERS AND WAGE EARNERS GET THE PROFIT OF PROTECTION.

It is susceptible of proof and has been proved from the public records of the manufacturing industries of this country that every farthing of the advantage that comes to anybody in this country because of protective duties goes into the pockets of the farmers and the wage earners. The profits to manufacturers are not as large as to manufacturers in England. Every speech upon the side of free trade is tuned to the following words of the Hon. Charles F. Crisp, of May 8, 1890, in harmony with all speeches of Democratic free traders:

It is "currently reported and generally believed" that the protected industries of this country contributed a great campaign fund [applause on the Democratic side] and \* \* \* being in power by their aid you propose maintaining the existing unequal and unjust laws to enable these manufacturers to recoup from the people the money "laid out and expended" in your behalf.

All of them are of the same spirit:

[Hon. R. Q. Mills, May 14, 1890.]

If there were anything that we could do by laws to cheapen the price of the manufactured product, the whole manufacturing fraternity of this country would be up in arms on this floor to defeat such a proposition.

[Hon. Benton McMillin, March 11, 1892.]

Mr. McMILLIN. \* \* \* While protection was holding forth one hand with alleged benefits to the people, it had the other thrust deep down in their pockets grasping the last dollar that extortionate greed could wickedly covet.

[Hon. W. C. P. Breckinridge, January 11, 1894.]

I do not mean to say that it [protection] does not give a certain market. Indubitably inside of the circle, within the barrier, the shark can fatten himself on the smaller fish. But if you give the same shark the wider market, being an American shark, my judgment is that soon he will feed as well or better on the foreign fish than he now does on the home fish in the American market. [Applause on the Democratic side.] I have not the slightest prejudice—

Mr. WALKER. Will the gentleman allow a question?

Mr. BRECKINRIDGE of Kentucky. Yes.

Mr. WALKER. I would like to ask the gentleman who he alludes to when he speaks of the "American shark."

Mr. BRECKINRIDGE of Kentucky. I beg the gentleman's pardon. I did not mean to hurt his feelings, at any rate. [Laughter and applause on the Democratic side.]

Mr. WALKER. I ask the gentleman from Kentucky if he considers that a proper answer to an entirely candid question?

Mr. BRECKINRIDGE of Kentucky. Well, the gentleman and I will not quarrel about whether it is not, as I have but little time.

Mr. WALKER. Being an American manufacturer, and being one of the gentlemen who helped make these tariffs, I ask the gentleman from Kentucky if he includes me in the number?

Mr. BRECKINRIDGE of Kentucky. If you are within the description that I gave, it is with exceeding great regret that you have drawn your own picture. I did not do it. [Applause and laughter on the Democratic side.] I have said nothing, Mr. Chairman, that was personally offensive to anybody. I trust that nothing I shall say will be held personally offensive.

[Hon. D. W. Voorhees, April 2, 1894.]

Sir, for no earthly consideration would I paint an unjust or overwrought picture of the dangerous pretensions and intolerable arrogance of accumulated wealth now manifest in this country. \* \* \* So unjust, relentless, unsparing, insolent, and brutal has been the money power in these later days, and indeed for years past, that rather than leave them unsaid I would cheerfully leave my seat on this floor to be occupied by some one else. \* \* \*

The people from this time forward, more than ever before, will organize and take rapid and heroic measures against the continued and brutal dictation of the plutocracy, against the paramount influence of wealth, against the rule and supremacy of the rich in shaping the financial policy of this Government in their own interests. \* \* \* All history shows that not a dollar extorted by the tariff ever goes beyond the pocket of the protected manufacturer.

I will not stop to consider at this point the vast individual robberies committed in protected markets, the untold and incalculable millions of black-mail levied by American manufacturers for their own pockets. \* \* \*

He now stands not only revealed, but confessed as a giant robber, a predatory monster, obstructing the highways of legislation and challenging legislators themselves to stand and deliver. \* \* \* The lowest depths of human depravity may be raked in vain for a baser or more infamous scheme by which to obtain money dishonestly. \* \* \* Not more than four days in the week belong to the laborer himself under tariff laws as they now stand; every hour of the other two days are absorbed in paying the manufacturer's increased prices on the necessities of life which a protective tariff guarantees.

[Hon. George McDuffie.]

You openly and unblushingly perpetrate plunder, and consecrate the outrage by calling it protection!

#### A REPETITION OF M'DUFFIE'S SPEECH.

[Hon. Roger Q. Mills, May 7, 1890.]

Mr. MILLS of Texas. This bill is the first in the history of the Government that has come before the American people with its mask thrown off and with the audacity of a highwayman demanding that the people shall throw up their hands and surrender their purses. \* \* \* Will it feed more mouths? Will it clothe more backs? Will it give more shelter to their heads to stop them from marketing the produce of their labor? \* \* \*

[Hon. Henry G. Turner, May 19, 1890.]

Mr. TURNER of Georgia. Up near the throne is an abundance of money and to spare, while in the provinces there is a famine. I ask, sir, in that condition of affairs, how would any respectable tyrant on the face of the earth treat his revenues? If he would not release the unnecessary taxes to his subjects, or should undertake to confer them on favorites, he would commit a crime for which many a king has lost his crown and for which many a fair country has lost its best promises. [Applause on the Democratic side.] And Republican statesmen in the pending bill have committed that crime in a free country! They propose to take off the sugar duty, nine-tenths of which goes into the Treasury, and put it where nine-tenths of it will go, not into the Treasury, but into the pockets of favored individuals. \* \* \* Making \$27,000,000 as the measure of the bounties paid last year to our manufacturers. \* \* \* an annuity computed at the Government rate of interest, the principal of that annuity would amount to \$6,200,000,000. \* \* \* The moderation of this estimate of protection no man will deny. \* \* \* The present system \* \* \* is brigandage without reciprocity.

#### SPEAKER RANDALL OSTRACIZED BY FREE TRADERS.

The intolerance of these men spares neither position nor fame. Because the Hon. Speaker Samuel J. Randall would not wreck the industries of his country by voting for the free-trade tariff of his associates in the Fiftieth Congress, his fellow-Democrats ostracized him, and this treatment of him by them had a considerable share in hastening him to his grave. The Hon. ROGER Q. MILLS objected to granting him an extension of time to finish a speech, which was then being freely granted to all the leading members on both sides of the House, until Major McKinley shamed him into it by granting Mr. Randall a portion of his own time. This is an exceptional case, to be sure, but it shows what an intolerant spirit is shown toward protectionists.

These men really believe that the commerce of this country wholly depends upon cotton, rice, and tobacco, and that did we not raise cotton, rice, and tobacco we could hardly have attained a respectable position as a nation. Like the barbarian, proud of his full dress composed of a breechcloth, with rings in his nose and ears, and feathers in his hair, they strut about denouncing protectionists as dishonorable, robber barons and American sharks. The following extracts from their speeches will give some little idea of their comprehension of modern commerce and civilized conditions:

[Hon. George McDuffie.]

If there were no such products in the United States as cotton, tobacco, or rice, would not the protecting system be downright nonsense, a mere impotent monument of human folly? How could the people of the United States obtain foreign manufactures when they had nothing wherewith to pay for them?

[Hon. Henry G. Turner, September 27, 1890.]

In return for that cotton which goes abroad we receive those importations of merchandise from the duties on which is derived the chief portion of our revenue.

[Hon. George McDuffie.]

I would ask the gentleman from Massachusetts what harm the Manchester manufacturer, with his 10-cent calico, could possibly do him, with his calico of the same quality at 20 cents, if there was no domestic production of the United States that could be exchanged in England for the former? \* \* \*

It is a contest between the domestic producer of the article, which is exchanged for the foreign manufactures, and the domestic manufacturer. \* \* \* The real parties to this contest \* \* \* are not the foreign manufacturers and the domestic manufacturers (for these can come in conflict only in foreign markets), but they are the planters of the South and the manufacturers of the North.

[Hon. W. C. P. Breckinridge, January 11, 1894.]

I represent a section nearly all of whose products have their price fixed in a free-trade market. The price of that cotton bale is fixed at Liverpool. \* \* \* Our tobacco, enough of it exported abroad for some of certain qualities to have their prices fixed abroad. Our wheat has its price fixed in Liverpool. Is it asking too much that you give to the grower of wheat, cotton, and tobacco the same market in which to buy as that in which he sells?

Now, I plead for a home market in its true sense. I plead that the sweat which is necessary to make a home comfortable shall buy where it sells, on the same basis and under the same advantages. [Applause on the Democratic side.] And that is what this bill does.

#### TAXATION AN INDEX TO CIVILIZATION.

If there is one fact any more clear than another to the economists of to-day, it is that the very conditions of civilization are those of taxation and of interindebtedness. The degree of civilization of a community is largely shown by the rate of taxation which it imposes upon itself in order that every man in the community may enjoy all the substantial advantages open to any part of the community and the interindebtedness of the people. The

taxation in Massachusetts of every name and nature in 1891 was \$38,121,229, which is equivalent to a taxation per capita of \$17.02, or on a family of five of \$85.10, and yet there is scarcely a speech of the free-trade Democrats that does not go to the point of declaring all taxation an evil and little better than robbery.

The following words of Hon. George McDuffie and of Hon. Henry G. Turner vary but little upon this point:

[Hon. George McDuffie.]

To what charter, human or divine, can you appeal for the power of taking away the property of one man for the purpose of giving it to another? No government on the face of the earth ever had or can have the right to exercise such a power, either directly or indirectly, openly or in disguise.

[Hon. H. G. Turner, January 13, 1894.]

Mr. Chairman, what is taxation? In its last analysis, taxation is confiscation, by the Government, of the property of the citizen. \* \* \* And protection is power conferred on individuals to confiscate the property of their neighbors! The one is a burden; the other is robbery! [Loud applause.]

Their ideas of the conditions upon which trade exists between countries are equally crude, as is shown by the following quotations from their speeches:

[Hon. George McDuffie.]

That every prohibition of importation is a prohibition of exportation. \* \* \* It shall assume \* \* \* annually send to Liverpool cotton, tobacco and to the amount of \$50,000 and convert them into cotton and woolen goods. \* \* \* There is not a single fiber in the whole mass that is not the product of American industry.

Duty (I will suppose) of 40 per cent. The whole duties would amount to the enormous sum of \$30,000. \* \* \* The great and patriotic ground upon which they are levied is that it is deemed quite injurious to the wealth and prosperity of the free States of the North that you should undersell their manufactures. \* \* \*

It is obviously immaterial to them whether the duties are levied on the productions of their industry, when they exist in the form of cotton and rice, or after they have been transmuted by exchange into manufactures. \* \* \*

An import duty on the manufactures they obtained would be a tax upon them as producers, precisely as if an export or an excise duty had been laid upon their cotton, tobacco, or rice. \* \* \*

The people of the South (whether correctly or not I will hereafter consider) are firmly impressed with the belief that, under any system of duties, while the revenue is derived almost exclusively from imports, their proportion of the burdens imposed by Federal taxation will be much greater than it ought to be according to the principle of the Constitution, which regulates the apportionment of direct taxes. \* \* \*

I will suppose forty out of every hundred bales of the goods into which they had converted their cotton were taken. No one could fail to perceive that the system of protecting duties would be as unjust, unequal, and oppressive as the wickedness of man could make it.

[Hon. Charles F. Crisp.]

If he buys his goods abroad and pays the duty, it goes into the Treasury of the United States and is called a tax; if he buys the goods at home and pays the increased price that is put upon them by the tariff, it goes into the pocket of the protected manufacturer and is called "protection." [Applause.] \* \* \* I can show you—I think I can demonstrate clearly—how the tariff hurts them; and I defy any of you to show wherein they are benefited by a protective tariff.

Suppose a farmer in Minnesota has 5,000 bushels of wheat and a farmer in Georgia has 100 bales of cotton. That wheat at 80 cents a bushel is worth \$4,000, and that cotton at 8 cents a pound is worth \$4,000. Let those producers ship their staples abroad. \* \* \* The wheat and the cotton are sold in that free-trade market. The wheat is sold for \$4,000; the cotton brings the same amount. The Minnesota farmer invests the \$4,000 he has received for his wheat in clothing, crockery ware, iron, steel, dress goods, clothing—whatever he may need for his family in Minnesota. The Georgia cotton raiser invests the proceeds of his cotton in like kinds of goods. Each of those men ships his goods to this country, and they reach the port of New York. When either undertakes to unload them, he is met by the collector of customs, who says, "Let me see your invoice." The invoice is exhibited, and it shows \$4,000 worth of goods.

Those goods represent in the one case 5,000 bushels of wheat; in the other case 100 bales of cotton. The collector at the port says to either of these gentlemen—the man who raises the wheat in Minnesota or him who raises the cotton in Georgia—"You can not bring into this market those goods for which you have exchanged your products unless you pay to the United States a tariff fixed by the McKinley law—a tax of \$2,000." \* \* \* You can not convince that unrighteous United States officer that the foreigner is to pay that sum of \$2,000; he requires the Minnesota farmer or the Georgia farmer to pay it. What is the result? The goods that cost either of these men \$4,000 without the tariff cost him \$6,000 with it.

In 1892, under the McKinley bill, there was imported into the United States 48,000 pounds of woolen and worsted cloth, of the value of \$13,000. The duty on that cloth was \$21,000. If the foreigner paid the tax, he paid more than \$21,000 for the privilege of selling to the American people \$13,000 worth of goods [applause on the Democratic side]; and the foreigner "he paid the freight." [Laughter.] What nonsense this is!

Restrictive protective tariff forces the American people to buy in the highest market on earth and forces the great agricultural class, which exports \$700,000,000 worth of their products every year, to sell in the cheapest markets of the earth. [Applause on the Democratic side.]

[Hon. R. Q. Mills.]

To check importations is to check exportation. \* \* \* No man can call to mind a trade where each did not give something in exchange for that which he received.

These statements are conclusively disputed by the figures from the United States Statistical Abstract given by me in a speech delivered in this House on March 24, 1897.

It will be seen that the value of agricultural products exported per capita in 1890 was less by one-eighth than in 1880. The increase in wages and the employment of every one of our people who desired employment so increased the American market for agricultural products that a very much larger share of them was



consumed in our own country, but the value of manufactures exported in 1890 is shown to be more than one-ninth more than in 1880. This came from the cheaper cost to the manufacturer and to the community of products under a protective tariff, which is something free traders never can comprehend. As our factories were run full and the "fixed charges" were not materially increased, the cost of each unit of product was very materially reduced, as is always the case under a protective tariff, and therefore we were enabled to compete with the foreign manufacturer on many kinds of manufactured articles. This enabled us to export them in competition with the foreigner.

*Exports of domestic manufactures and products of agriculture.*

	1880.	Value per capita.	1890.	Value per capita.	Increase per capita.	Loss per capita.
Agriculture.....	\$686,000,000	\$13.72	\$799,000,000	\$12.10	.....	\$1.62
Manufactures.....	103,000,000	2.06	159,000,000	2.40	.....	.....

*PROTECTIVE TARIFF INCREASES BOTH EXPORTS AND IMPORTS.*

The ridiculous theory that taxation of imports is equivalent to the taxation of exports is one of the cardinal doctrines of the free traders, and yet it is a fact susceptible of ample proof that the protective tariff always increases both imports and exports, because it increases the wages and incomes of our people and increases the number employed, and thus increases the money the people have to spend. The following table is a conclusive answer to these statements of the free traders:

*Table showing excess of imports over exports in fourteen years, under the free trade tariff of 1846; also the excess of exports over imports under protective tariff, 1879 to 1892; also total commerce for each period; also each item per capita.*

	Free trade, 1847-1860.	Protection, 1879-1892.
Population.....	26,000,000	57,000,000
Foreign commerce.....	\$6,496,795,734.00	\$30,830,108,429.00
Commerce, per capita.....	249.87	535.26
Excess of imports.....	404,888,581.00	.....
Excess of imports, per capita.....	15.57	.....
Excess of exports.....	.....	1,435,008,521.00
Excess of exports, per capita.....	.....	25.17

This table is in harmony with what always prevails under a protective tariff, and is a conclusive answer to the statement that "we can not export if we do not import." A protective tariff always increases both. In fact, the history of every country shows that there is not in the record of the commerce of the countries of the world the slightest ground for any such declaration.

*MCKINLEY PROSPERITY OF 1892.*

While the McKinley bill was under discussion in the House, the Hon. ROGER Q. MILLS, of Texas, made the following observations:

If our friends push their doctrine a little further, the smokestacks in Pennsylvania will have to be utilized as observatories to study the laws that govern the heavenly bodies.

The gentleman from Ohio [Mr. McKinley] asked was the foreign market better than the home market? Who was ever fool enough to answer that it was? The answer that Democrats give is that the home and the foreign market is better than the home market. [Applause on the Democratic side.]

And yet the result of that tariff was that the year following it, and up to the time of the election of a free trader and the threat of a free-trade tariff in 1892, it is conceded by all, were the most prosperous years that this country ever saw. The following circular shows the condition in which England was during the same year that this country was enjoying a prosperity never before known by any country:

66 STATE STREET, Boston, January 6, 1894.

*CONDITION OF THE COTTON-SPINNING INDUSTRY IN ENGLAND.*

The balance sheets of 93 corporations in Oldham, England, for the year 1893, show that 31 companies made profits aggregating £31,876 16s. 5d., and 62 corporations showed losses of £104,844 12s.

So that the final results show a net loss for the year of the 93 companies amounting to £72,967 15s. 6d.

The bad condition in which the business has been getting may be judged from an examination of the balance sheets for the past four years:

	£	s.	d.
At the end of 1890 only 8 of the companies had adverse balances, amounting to.....	8,412	0	0
At the end of 1891, 49 companies showed adverse balances of.....	142,767	4	5
The adverse balances of 67 corporations at the end of 1892 amounted to.....	209,252	12	4
At the end of 1893 the adverse balances of 63 companies were.....	306,800	14	6 1/2

FRANCIS E. BACON & CO.

In this same year our mills were more prosperous than ever before in the history of the country, and the consumer got his goods cheaper than ever before.

*THE "CHINESE WALL" OF PROTECTION.*

A great deal is always heard about a protective tariff being a Chinese wall:

[Hon. Benton McMillin.]

We pledged them that the doctrines promulgated by the authors of the

present law—the doctrine of exclusion and of the destruction of commerce—should no longer prevail.

[Hon. Charles F. Crisp.]

The idea of our Republican friends of an American system is a Chinese wall that will force our people to trade with themselves, and not permit them to trade with anybody else.

And yet our total foreign commerce in the last year, uninfluenced by political tariff discussion and legislation, compared with the most normal year under the McKinley bill—1892—was as follows: In 1892 our imports and exports were \$1,858,000,000, while in 1889 they were \$1,488,000,000, showing a gain of \$370,000,000, or an increase of very nearly one quarter, and our exports exceeded our imports by \$203,000,000, more than one-third more than our imports. In 1892 our exports of agricultural products were \$799,000,000, while in 1889 they were only \$532,000,000, an increase of more than one-half in exports of agricultural products. In 1891-92 our domestic manufactures that we exported were \$327,000,000; in 1888-89 they were \$269,000,000, an increase of more than one-fifth.

For the fourteen years of the free-trade tariff of 1846 our foreign trade was \$17.08 per capita; for the fourteen years from 1876 to 1890, under protection, they were \$25.20 per capita—more than half as much again—and under the McKinley bill it went up \$3.12 more than in the figures given. How utterly every statement of the free traders is at variance with fact! By the statement of the London Fair Trade Journal of July 1, 1892, English trade had fallen off \$55,000,000 in six months, and yet the Democratic free traders assert just as confidently as ever, and will continue to while their breath holds out, that a protective tariff destroys trade and a free-trade tariff for this country increases it—exactly contrary to facts.

*TAXATION IS BENEFICENT.*

Taxation is but the expending by the Government of that portion of the money of the citizens that the Government by aggregating the part taken in taxes can secure more comforts and luxuries and happiness for the citizens than each and every citizen could secure for himself in expending the same amount of money by himself alone, and yet this great fact of the necessarily increasing expenditure by the aggregate of the people through their Government as civilization advances, is never realized by these free traders. Note the remarkable coincidence in the words of the Hon. Charles F. Crisp and the Hon. George McDuffie and Hon. BENTON McMILLIN on this question:

[Hon. C. F. Crisp.]

And we propose to meet the other deficiency in the good old Democratic way—by reduction of expenditures. [Loud applause on the Democratic side.]

[Hon. George McDuffie.]

If I should ever return to this body, I intend to propose a general system of retrenchment and economy, \* \* \* to insist that the aggregate burden of taxation shall be as light as possible, and that not a dollar shall be expended by the Government that can be avoided by a rigid economy.

[Hon. Benton McMillin.]

Sir, it is the result of that general and useless extravagance which characterized the Fifty-first Congress, by which for the first time in the history of this Republic the expenditures were carried to \$50,000,000 a year, and that reckless waste which was more prodigal than would have been attempted or thought of by the "prodigal son."

[Hon. George McDuffie.]

Free trade is the great doctrine of political reformation in modern times.

I desire again to call the attention of the Democrats in this House to the wonderful prosperity the country showed in 1892, brought to it by a protective tariff, as proved by every publication which shows the condition of manufacturing and trade in the country.

How certain these Democratic free traders are that the protective tariff is not a means to raising wages! The declarations of the Hon. William L. Wilson and the Hon. Charles F. Crisp on this point are peculiarly interesting to men actually engaged in manufacturing, men who know the advantages to the workingmen of a protective tariff:

[Hon. W. L. Wilson.]

Protective tariff does not help to raise wages. The only protection to labor is in its trades unions. What hope is there in a labor strike when the supply exceeds the demand?

The iron and steel organization declared the Carnegie troubles a rebellion of organized labor against the manufacturers.

Not protective tariffs but the general intelligence of the people determines the rate of wages in a country.

[Hon. Charles F. Crisp.]

High wages in this country, Mr. Speaker, are more dependent upon the independence of the laboring men, upon trades unions, upon labor organizations, upon the intelligence and capacity of the American laboring man to demand his rights than they are upon any protective tariff. [Applause on the Democratic side.]

The American laboring man wants what? He wants steady employment at reasonable wages.

*DIRE RESULTS OF THE WILSON TARIFF.*

The fact that wages have been reduced, idleness has been brought to hundreds of thousands of workingmen, and the low price of products, and especially farm products, under the Wilson tariff

that has compelled the manufacturers to reduce wages or to close up their mills and factories, is a conclusive answer to these men.

Finally the struggle of the free-trade Democrats to divest themselves of the responsibility of causing every serious financial and industrial crisis but one that this country has ever seen is really pitiful. After the threat of secession by South Carolina and the return to Congress of her Representatives, it is as clear as that the sun shines at noon time that the tariff reduction of 10 per cent each year, secured by them, in its operation closed the mills, factories, and workshops of this country, throwing capital out of use, wage earners out of work, and that the course of wild speculation that culminated in 1857 was the legitimate fruit of that act in the struggle of idle capital to find profitable employment. It is equally true that the tariff of 1846 was the direct cause of the industrial depression and financial panic of 1857.

## TARIFF OF 1846.

The Mexican war of 1846, the Irish famine of 1847, the discovery of gold in California in 1849, the Crimean war in 1855-56, as has been said before, made a tremendous market for our products and obscured the real effects of that tariff from our people for a long period, but it thoroughly prepared the conditions in the country, by closing the mills and workshops and throwing operatives out of employment, for the disastrous effect upon us of the failure of the crops of the farmers in 1857. If the country had been normally prosperous in the years previous to 1857, the destruction of the products of the farmer in that year would have affected it but little as compared with the results produced.

## CRISIS OF 1873.

The commercial and industrial crisis of 1873 resulted from the issue of the greenback and the depreciation of our currency and the struggle to resume specie payments, but the cost of foreign goods because of that depreciation at first was enormously increased and then reduced, as is shown by the following table:

Year.	Average premiums on gold.	Average rate of duties collected in gold.	Amount of premium in currency on duties collected.	Amount of premium paid on price of goods.	Total per cent currency duties paid and currency premium on price of goods.
	Per cent.	Per cent.			Per cent.
1862.....	17	36.19	\$0.062	\$0.17	59
1863.....	47	32.62	.153	.47	95
1864.....	118	36.69	.43	1.18	198
1865.....	81	47.50	.386	.81	167
1866.....	46	48.33	.222	.46	117
1867.....	39	46.67	.178	.39	103
1868.....	41	48.63	.190	.41	110
1869.....	41	47.22	.194	.41	108
1870.....	16	47.08	.075	.16	71
1871.....	12	43.75	.062	.12	61
1872.....	12	41.35	.05	.12	59
1873.....	12	38.07	.064	.12	58
1874.....	11	38.53	.042	.11	54
1875.....	17	40.62	.069	.17	65
1876.....	11	44.74	.049	.11	61
1877.....	5	42.89	.021	.05	50
1878.....	1	42.75	.004	.01	44
1879.....		44.87			44.87
1880.....		43.48			43.48

As the increase of price by the tariff of any part of goods imported had we been on a specie basis during this period, would have been about 44 per cent, but from the depreciation of the currency was carried up in 1864 to 198 per cent, and wages partially carried up in proportion, the wages in this country were then so high that when the cost of foreign goods to the purchaser in 1873 was reduced to only 58 per cent, American mills were closed, and the wage earners were thrown out of employment. Foreign goods then took the place of American goods. This had the same economic effect on the country—until wages were reduced about 10 per cent in 1878, and our mills were again started up—as the adoption of a Democratic free-trade tariff has always had.

## THREAT OF FREE TRADE PRODUCED THE PANIC OF 1893.

That the financial and industrial panic of 1893 was the direct result of the threat of a Democratic free-trade tariff seems beyond all question, and yet all free-trade Democrats' brains are as fertile in finding reasons other than the true reason for that disaster as they ever have been for every one of the preceding, extended, and fearful financial and industrial depressions, and this notwithstanding the fact that every one that has come upon us, except that of 1873, was under a Democratic free-trade tariff and under a Democratic Administration. They prove themselves in no way responsible for the ills their country has suffered from their legislation as conclusively and as satisfactorily to themselves as the Hon. ROGER Q. MILLS, of Texas, and the Hon. BENTON McMILLIN, of Tennessee, succeeded in proving what the labor cost of manufactured articles in this country is as shown by the figures given in the census. That the census maker's figures have

no legitimate connection with and are not taken from manufacturers with a view of their giving any solution to the actual labor cost of the articles they relate to, except in the mills in which they are given and for the work done upon the article in each particular mill, and not with reference to the labor cost of the manufactured articles from the primal raw material to the finished product, is entirely clear to all except to the Hon. ROGER Q. MILLS, the Hon. BENTON McMILLIN, and their confederates.

## The Tariff.

## SPEECH

OF

HON. THEOBOLD OTJEN,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. OTJEN said:

Mr. CHAIRMAN: This bill under consideration has two purposes—first, the raising of sufficient revenue to meet the necessary expenses of the Government; second, the encouragement and promotion of new industries and the protection of those which are already established throughout this country. That there exists a necessity for raising more revenue with which to pay the ordinary and necessary running expenses of the Government I think can not be questioned by any intelligent man, in view of the fact that since the coming into power of the Cleveland Administration, with its avowed free-trade policy, the running expenses of the Government have exceeded its income by the aggregate sum of \$293,811,729. The deficiency is as follows:

For the fiscal year ending June 30—

1894.....	\$69,803,200
1895.....	43,805,223
1896.....	25,293,246
1897 (estimated).....	65,000,000
Total deficiency.....	203,811,729

This deficiency has been made up by the sale of Government bonds amounting to the sum of \$262,315,400, from which the Government has realized \$293,481,894. This condition of affairs could not long continue. The individual who from year to year expends more than his income is on the road to inevitable bankruptcy, and the same rule holds good when applied to nations. Those who oppose this bill assert that by a proper exercise of economy the running expenses of the Government can be reduced and brought within its present income; that increased revenue is not needed.

It is easy to cry "Economy!" but how will you economize? Where will you begin? A hundred and forty-one millions of dollars is paid annually in pensions to the defenders of this nation. Will anyone say that we can or should economize in this particular? You can reduce the running expenses of the Government if you stop building a navy, if you stop building coast defenses, if you stop improving the great waterways of commerce. I do not believe that the enterprising, intelligent American citizens wish Congress to adopt such a policy. I do not believe they wish us to stop building a navy—one sufficiently strong to protect the rights and interests of American citizens abroad. I do not believe they wish us to leave twenty-seven of our great cities defenseless and at the mercy of a foreign foe. I do not believe they wish us to suspend the needed public improvements of this country. I do not believe that because times are hard they wish us to make them still harder by stopping all public works. What they do demand, and what they have a right to demand, is that every dollar of public money shall be honestly and economically expended, and no money expended upon useless improvements; that strict economy shall prevail in all the departments of the Government, consistent with the due and proper administration of public business.

It is conceded by all that the bulk of the revenue necessary to pay the running expenses of the Government should be collected upon imports, but as to the policy in levying this duty there is a radical difference between the two great parties. The Democratic party believes in free trade, or a tariff for revenue only, while on the other hand the Republican party believes in levying this duty on imports in such a way that it will bring sufficient revenue to meet the needs of the Government and at the same time retain the markets of America for our own people and afford protection to our industries.

The Republican party believes in levying a duty which shall be equal to the difference in wages paid here by our manufacturers and producers and the lower wages paid by the manufacturers and producers abroad, thereby placing our people upon the same level



with their foreign competitors. Protection should be the policy of this country as much as free trade is the policy of Great Britain. Great Britain maintained a protective policy until she had built up her vast industries. England, being a small country, was forced to seek a foreign market in which to sell her goods. Then she became the champion of free trade. It is wisdom upon her part to advocate that policy, but with us the conditions are entirely different.

We have within our border the greatest market in the world; we have a country diversified in soil and climate, rich in mineral and agricultural resources; a great empire of forty-eight States and Territories in which trade is as free as the air we breathe; free trade among 73,000,000 people, a people who consume more, many times, than any people on the face of the earth. Why should we let the foreigner trade free in our markets? Would Great Britain, France, or Germany do it if they had our great market? I think not. Why should we let them enter our market free? The foreigner pays none of our taxes; he does not help to maintain our Army or Navy; he does not help to build our public buildings; he pays none of the numerous expenses of our Government, nor does he owe any obligations to it. He comes simply to sell his goods in our market for his own gain, then takes his money out of the country to a foreign land, where other people will receive the benefit therefrom. A tariff is simply a toll collected from the foreigner, a license fee for the privilege he enjoys of selling his goods in our market.

It is a fact easily demonstrated by past history that low tariffs lead to panics and hard times. Practically all the panics and periods of hard times have taken place under low tariff rates. It is also true that a high rate of duty, properly adjusted and distributed, will bring prosperous times and sufficient revenue for the Government. Practically all the good times this country has ever had have been under a high protective tariff. From 1821 to 1838 the average tariff rate, taking into account all imported goods, both free and dutiable, was 34.55 per cent per annum. During this period good times prevailed in this country and the Government paid off practically all of its indebtedness. Regarding the prosperity of this period, President Andrew Jackson said, in his annual message, in December, 1832:

Our country presents on every side marks of prosperity and happiness unequalled, perhaps, in any other portion of the world.

In 1828 the free trader made an attack upon this tariff. Hot-bed methods of building up our industries were denounced. A reduction of one-tenth per annum was made until all the duty above 20 per cent should be reduced to that figure, making the average duty per annum, between 1834 and 1843, 17.09 per cent, being a reduction of over 50 per cent from the rate of duty existing in 1828.

The result was that it brought a large balance of trade against us, and the panic of 1837, with idle factories, men out of employment, and general poverty of the people. These hard times and the financial distress continued until 1844, when new and increased tariff rates were put in force. The new tariff rate of 1844 to 1856 increased the average tariff rate from 17.09 per cent to 23.46 per cent. This tariff rate was not sufficiently high to properly stimulate our industries; yet that, taken together with the Crimean war and the gold discovery in California gave this country a fair degree of prosperity.

Manufacturers were not prosperous, and have never been excepting under a Republican protective tariff. Farm products brought a fair price; labor could find employment at moderate rates then prevailing, and a fair degree of prosperity prevailed, notwithstanding the large balance of trade against us. As if to make ruin and bankruptcy the more sure, the free traders secured a reduction of the low rate of 23½ per cent tariff, making the average tariff rate between 1856 and 1861, 16.32 per cent, and the inevitable result came, bringing the panic of 1857. President Buchanan, in his message to Congress says officially of this disastrous free-trade period:

With unsurpassed plenty in all the productions and all the elements of natural wealth our manufacturers have suspended. Our public works are retarded, our private enterprises of different kinds are abandoned, and thousands of useful laborers are thrown out of employment and reduced to want. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country in its monetary interests is in a deplorable condition.

From 1863 to 1872 we had an average tariff rate of about 40 per cent. This was during the civil-war period, and, although the balance of trade was against us, yet this tariff helped materially to mitigate and reduce the great burdens entailed upon the Government by the war, by yielding to it a large revenue. In 1870 to 1878 came tariff reductions, amounting to 17 per cent. These reductions, on account of the war prices then prevailing here, gave the foreign manufacturer a great advantage over our own producer, and produced an enormous adverse trade balance against us in 1872-73 of \$290,000,000. This, added to our already burdensome foreign debt and the loss to our manufacturers and merchants and their inability to meet foreign competition, brought on the panic of 1878.

Our return to specie payments was an element in it, but the

heavy reduction of duty was a sufficient cause for the panic. The average of duty between 1873 and 1890 was 29.70 per cent. The country gradually recovered from the panic of 1873 and entered upon a period of great prosperity. The balance of trade during this period was in our favor by the great sum of \$1,376,000,000. Railroads were built, manufactories increased at an unprecedented rate, employment was abundant, and wages were never higher. Prosperity prevailed among all classes.

In 1890 the tariff was again reduced, with a view of reducing the rate of duty, so as to satisfy the clamor of the free trader, by the act known as the McKinley law, a law which was woefully misrepresented and led people to believe that it was a very high protective measure. The duty collected under the McKinley tariff from 1891 to 1894 averaged 23.72 per cent, a reduction of nearly 7 per cent from the prior tariff rate. Until the election of 1892 we enjoyed a degree of prosperity never before seen in this country or any other. The balance of trade in our favor in 1891 and 1892 was \$243,440,300. But Democracy and free trade were voted into power in 1892, and, as usual, panic and hard times followed.

Little attention had been paid by the people prior to the election to what was contained in the Chicago platform of 1892. As soon, however, as it became known that the Democratic party was to be in control of the Government on and after March 4, 1893, the country suddenly remembered the free-trade platform of the Democracy and became thoroughly alarmed. No one could tell what that party would do with the tariff, whether they would reduce the rate of duty 25 per cent or 50 per cent or would adopt free trade. The country was in a state of uncertainty, and was kept in suspense for eighteen months; business could not prosper under such uncertain conditions. As a result, merchants and wholesale buyers ceased to buy their usual stock of goods, buying only such amount of goods as they could dispose of from day to day, no more than what would supply the present demands of business. Those who had large stocks of goods on hand made haste to reduce them, for no one could afford to have a large stock of goods on hand and have the party in power, by its legislation on the tariff, reduce the value of every dollar of it.

The same state of affairs was true as to the manufacturer. No manufacturer would manufacture goods to keep in stock, but ran on actual orders only. This drawing in and slacking up by the merchant, wholesale buyer, and manufacturer gradually brought on stagnation in business and the panic was the result. It was the radical free-trade Chicago platform, with the knowledge of the people that the Democratic party had the power to carry it out, that brought on the panic of 1893, with its long train of hard times, closing factories, idle men, and bankruptcy. Mr. T. B. Walker, of Minneapolis, Minn., gives a concise summary of tariff changes and their effect, which I here quote:

It will be observed that the panics come always in periods of reduced tariff. In 1837 is shown the lowest percentage of duties collected in the history of the nation, being less than 14 per cent. This low rate was undoubtedly exaggerated a little by the hard times which, as usual, necessitated purchasing lower-priced goods that are charged with a smaller percentage of duty. The tariff rates during the whole period from 1834 to 1843 average but a slight fraction above 17 per cent, making 17½ per cent reduction from the average of the preceding period. In 1836 the imports ran up to \$10.44 per capita, which was the highest rate that had been shown in our history to that time, and the largest for many years afterwards. The balance of trade for that year was \$52,000,000 against us, being more than double the balance for any year to this time, or that occurred again within the sixteen following years.

These extraordinarily large imports in 1836 were preparatory to the crash of 1837. A nation may as readily bring financial troubles as a business firm by purchasing more than its available means will warrant. The panic of 1857 came in the fourth period, when the average tariff was only 16.37 per cent, the lowest rate for any period. It averaged a little lower than the second period, although in 1837 the rate for that year ran lower than for any year in this fourth period. The imports for several years previous to 1857 ran higher than at any other time in our previous history. The balance of trade during this fourth period showed a balance of \$174,000,000 against us, or an average of \$1.14 per capita.

The panic of 1873 came after four reductions had been made in the tariff rates, in 1870, 1871, 1872, and 1873, amounting to 17 per cent. This did not bring the rates as low as they had been in three of the four periods previous to the war, yet it placed our manufacturers and business men at such a disadvantage that they were unable to compete with foreign productions of goods, as wages, interest rates, and other expenses could not be reduced rapidly enough to meet the tremendous advantages given to Europe, and enormous importations of merchandise was the result. The imports for 1872 were \$13.80 per capita, being the highest rate in the whole of our tariff history before or since, excepting only the figures for 1873, which were \$15.91, or \$2.11 above the extraordinary rate for 1872. The balance of trade against us in 1872 was nearly \$132,000,000, while in 1873 it reached \$158,000,000, the greatest aggregate debit balance that we have ever experienced.

This panic was probably hurried along and intensified by the apparent shrinkage of values from the return toward specie payments, but the heavy tariff reduction was the leading factor, and which would inevitably bring such result. Running along thence from 1873 toward the last panic, we find that the McKinley law of 1890, which showed first in the returns of 1891, reduced the rates from 29.70 to 22.72. It is probable that under this reduction and readjustment the nation might have gone on with moderate prosperity had no other conditions intervened to cause a setback. But the success of the populist free-trade Democratic party in 1892 unsettled confidence and prepared the way for the panic—not from actual conditions of bankruptcy, but from an apprehension coming from a knowledge of the evil that would be wrought by the party that came in power.

One of the benefits of a protective tariff is that it largely holds our market for the benefit of our own people, and gives the labor which is required to make the products used here to the American workman instead of giving it to foreign workmen. To illustrate

that a protective tariff holds the American market for the American producers and makes employment more abundant here, let us assume that the demands of our market require 10,000 wagons per annum; that under a low or free-trade duty 5,000 of these wagons are made abroad and are shipped here and sold in our market. Now, suppose we add a protective duty on the importation of wagons, and by means of this additional or protective duty only 1,000 wagons are imported instead of 5,000. The difference between the two systems is a net gain of 4,000 wagons manufactured in our own country, and our workmen have had the extra employment required to manufacture these 4,000. An ordinary wagon costs about \$40, and, taking into account the labor, from the ore in the mine to the bar of wrought iron, and the wood in the forest to its final condition, about \$35 of the \$40 represents labor to produce the same. Hence, by the policy of protection we have paid to American labor a sum amounting to \$140,000 instead of having paid that amount to foreign labor. Protection has saved to our manufacturers and producers a market for 4,000 additional wagons and paid to them \$160,000, of which sum labor receives \$140,000, and the American people have both the wagons and the money, and a variety of interests and occupations have been benefited in their manufacture.

A protective tariff enables us to maintain a good standard of American wages. It levies a duty on competing articles sufficient to equal the difference between the low wages paid in Europe and the higher wages paid here, making it possible for our manufacturers to pay the better American wages. It also gives the American workman the work required to produce the goods our home market demands, making employment more abundant here instead of having a large part of the work done abroad. When employment is abundant wages are good. When we have dull, free-trade times employment is scarce and wages invariably fall. Not alone must we guard against and compete with the low wages paid in Europe, but we are confronted with the fact that we must also compete with the miserably low wages paid in India, China, and Japan, for these countries are rapidly coming into competition with our own in all kinds of manufactured products.

Table of American wages.  
[From Senate report by Mr. Aldrich.]

	1840.	1850.	1880.	1890.
Blacksmiths.....	\$1.50	\$1.50	\$1.50	\$3.00
Blacksmiths' helpers.....	.83	.83	.83	1.75
Plasterers.....	1.50	1.75	1.75	3.50
Painters.....	1.25	1.25	1.25	2.50
Wheelwrights.....	1.25	1.25	1.25	2.50
Carpenters.....	1.25	1.41	1.52	1.94
Engineers.....	2.00	2.25	3.00	4.25
Firemen.....	1.25	1.37	1.44	1.63
Laborers.....	.81	1.04	.91	1.25
Machinists.....	1.45	1.55	1.75	2.20
Watchmen.....	1.10	1.06	1.00	1.55

Japanese wages.			
Blacksmiths.....	\$0.30	Paper hangers.....	\$0.31
Bricklayers.....	.33	Porcelain makers.....	.29
Carpenters.....	.30	Stonecutters.....	.34
Compositors.....	.30	Weavers.....	.15
Farm hands.....	.19		

In Japan wages are paid in depreciated silver.

Wages of Chinese at Shanghai, September 30, 1895.

	Wages with food—	
	Per day.	Per month.
Blacksmith.....	\$0.13	
Brass worker.....	.10	
Barber.....	.09	
Bootmaker.....		
Native.....	.10	
Foreign.....		\$5.28
Bamboo cabinetmaker.....	.11	
Bricklayer.....	.10	
Compositor.....		
Native.....		5.28
Foreign.....		7.92 to 15.84
Carpenter.....	.11	
Cabinetmaker.....	.13	
Cooly*.....	.13	
Bookbinder.....		
Native.....		4.22
Foreign.....		6.34
Lithographer*.....		10.56
Furniture polisher.....	.21	
Tailor.....		
Native.....	.10	
Foreign.....		6.34
Pressman.....		6.34
Coachman.....		
Native.....		3.17
Foreign.....		6.34
House boy.....		
Native*.....		2.11
Foreign.....		4.75
Cotton-mill machinist*.....	.11 to	.22
Cotton-factory hands*.....	.18	

\* Without food.

Comparative table of average wages per day, prepared by commission of Trade and Labor Assembly of Chicago, Ill., and made part of its report, October 10, 1896.

Occupation.	American money.		Mexican money. a		
	Chicago, Ill. (union scale), 1,500,000.	El Paso, Tex., 10,000.	Zacatecas, 40,000.	Guana-juato, 70,000.	City of Mexico, 335,000.
Teamsters.....	\$1.75	\$0.75	\$0.75	\$0.50	\$1.00
Street cars:					
Drivers.....	2.25	1.50	.50	.75	.75
Conductors.....	2.25		.75	.75	1.00
Miners.....		2.00	.87½	.75	.75
Printers.....	3.00	1.50	.87½	.75	1.25
Pressmen.....	3.50	1.00	.50	.37½	1.20
Press feeders.....	1.75	.50	.37½	.25	.87½
Bookbinders.....	2.75		.87½	.50	1.00
Iron molders.....	2.50	2.50	1.00-2.00	.87½	1.00-2.00
Cigar makers.....	(c)	(d)	(e)	.50	(f)
Cigarette makers, females.....			.37½	.25	50-62½
Barbers.....	2.75	(g)	1.00	.87½	(h)
Bakers.....	2.00	2.00	1.25	.50	1.50
Shoemakers.....	2.50	1.50	.87½	.62½	1.25
Carpenters.....	2.80	3.50	1.00	.75	1.25
Bricklayers and masons.....	4.00	5.00	.87½	.75	.37½
Plasterers.....	4.00	2.50	.75	.50	.87½
Hod carriers.....	2.00	1.50	1.00	1.25	2.75
Clerks.....	2.25	3.00	.37½	.50	.75
Woodworkers.....	2.25	3.00	.87½	.75	1.25
Harness makers.....	1.50	2.00	.87½	.75	1.25
Horseshoers.....	3.25	2.50	1.00	.75	1.50
Blacksmiths.....	3.00	2.75	.75	.87½	1.50
Waiters.....	2.25	1.00	1.50-2.50	1.75	3.00
Cooks.....	3.25	1.25	.50	.37½	1.00
Machinists.....	2.75	2.50	.50	.50	1.25
Tailors.....	1.50	1.00	.50	37½-50	(i)
Painters.....	2.75	3.00	1.25	.75	1.25
Butchers.....	2.00	1.25	.87½	.62½	.75
Engineers, stationary.....	1.00	2.50	1.25	.87½	1.00
Firemen, stationary.....	1.00	2.00	.37½	.37½	.87½
Musicians.....	3.00	2.00	(k)	.37½	1.75
Cab and hack drivers.....	1.75	1.00	.75	.50	1.00
Common laborers.....	1.25	1.00	.50	.50	.37½
Helpers—					
Miners.....		.50	.75	.50	.62½
Molders.....		1.00	.56	.37½	.37½
Cigar makers.....		.50	.25	.25	.50
Bakers.....		1.00	.75	.50	.50
Shoemakers.....		.50	.50	.50	.37½
On buildings.....		1.00	.37½	.37½	.75
Horseshoers.....		1.00	.87½	.75	.87½
Blacksmiths.....		1.25	.75	.62½	.37½
Machinists.....		1.25	.37½	.37½	.50
Painters.....		1.00	.37½	.37½	.50
Tailors.....		.50	.37½	.25	.50
Butchers.....		.50	.37½	.37½	.50

Blanks denote no journeymen are employed.

a Equal to 50¢ to 54 cents American money. f \$6 per 1,000.

b Mexican money. g 60 per cent.

c \$5 per 1,000 and upward. h 50 per cent.

d \$11 per 1,000. i \$7 per suit.

e Women, 27½ to 50 cents per day. k 50 cents per hour.

It should be the policy of the American people to maintain a high standard of wages, wages sufficiently high to enable the American workman to live as a freeman should, and to educate his children, fitting them to become intelligent and patriotic citizens. Free trade in its full application means that the American workman must be reduced to the low standard of living prevailing among the working people abroad. It means the reduction of wages until they reach a plane substantially the same as is paid in Europe. Yes, more than that, substantially the same as is paid to the degraded laborer of Asia.

This country can not afford to adopt a system that will reduce the standard of intelligence of the American workman. The toilers of this country form the great bulk of the American citizens, and the ballot which has been placed in their hands requires a high state of morals and intelligence to fit them to properly perform the duties imposed upon them. In our form of government there is often referred to the common people of the country some of the great questions of state for decision. They are the final judges, the supreme tribunal, as they were of the money question in the last Presidential election. The permanency of this Government requires not alone that the present standard of intelligence, self-respect, and manhood of the common people of this country shall be maintained, but, if anything, advanced.

A protective tariff encourages the building up of our industries. This proposition can scarcely be denied, in view of past events. The marvelous growth of our industries of all kinds under an adequate protective tariff in the past twenty years should be argument enough to convince any candid man. We need not theorize about this proposition. We can refer you to a great industry which has been built up by the McKinley tariff—the tin-plate industry. July 1, 1891, we had not a tin-plate mill in the country. The entire consumption of tin plate, amounting to



1,036,489,074 pounds, was imported. The McKinley Act placed a duty of 2.3 cents per pound on iron or steel plate coated with tin or lead by the dipping or any other process, and to-day we have nearly two hundred tin-plate mills in operation in this country, as the following table will show:

Name of firm.	Location.	Mills completed.
Somers Bros.	Brooklyn, N. Y.	4
United States Iron and Tin Plate Co.	Danmiller, Pa.	7
Marshall Bros. & Co.	Philadelphia, Pa.	4
Lalace & Grosjean	Harrisburg, Pa.	3
Blairsville Rolling Mill Co.	Blairsville, Pa.	2
Newcastle Sheet and Tin Plate Co.	Newcastle, Pa.	18
Ellwood Tin Plate Co.	Ellwood City, Pa.	4
Canonsburg Iron and Steel Co.	Pittsburg, Pa.	4
Monongahela Tin Plate Co.	do	9
Pittsburg Tin Plate Co.	New Kensington, Pa.	3
Pennsylvania Tin Plate Co.	do	4
Wallace, Banfield & Co.	Irondale, Ohio.	4
Falcon Tin Plate and Sheet Co.	Niles, Ohio.	4
Etna-Standard Iron and Steel Co.	Bridgeport, Ohio.	6
Britton Rolling Mill Co.	Cleveland, Ohio.	4
Beaver Tin Plate Co.	New Lisbon, Ohio.	4
Morton Tin Plate Co.	Cambridge, Ohio.	3
Reeves Iron Co.	Canal Dover, Ohio.	3
Crescent Sheet and Steel Co.	Martins Ferry, Ohio.	4
Whitaker Iron Co.	Cleveland, Ohio.	4
La Belle Iron Works	Wheeling, W. Va.	2
American Tin Plate Co.	do	4
The Morewood Co.	Elwood, Ind.	16
Irondale Iron and Steel Co.	Gas City, Ind.	8
National Tin Plate Co.	Middletown, Ind.	6
Montpelier Sheet and Tin Plate Co.	Anderson, Ind.	6
Atlanta Tin Plate Co.	Montpelier, Ind.	6
St. Louis Stamping Co.	Atlanta, Ind.	3
Cumberland Steel and Tin Plate Co.	St. Louis, Mo.	7
Baltimore Iron, Steel, and Tin Plate Co.	Cumberland, Md.	4
Great Western Tin Plate Co.	Baltimore, Md.	4
American Sheet Iron Co.	Joliet, Ill.	3
Connellsville Sheet Iron and Tin Plate Co.	Phillipsburg, N. J.	1
Licking Rolling Mill Co.	South Connellsville, Pa.	4
Ohio River Sheet Iron and Tin Plate Co.	Covington, Ky.	1
Star Tin Plate Co.	Remington Station, Pa.	2
Stickney Iron Co.	Pittsburg, Pa.	8
Washington Steel and Tin Plate Mills	Baltimore, Md.	2
	Washington, Pa.	3
Total		188

Capacity of the 188 mills..... 5,700,000  
 Boxes.  
 The consumption of tin plates in the United States per annum is about..... 7,000,000  
 Deduct supply for Pacific Coast, dressed meats and fish, and for Standard Oil Company, imported plates for export on which drawback is allowed, about..... 1,500,000  
 Net market for consumption of domestic plates..... 5,500,000

Could any people have a better illustration of the practical effects of a protective tariff?

The Democratic free-trade orators and papers told us that we could not make tin plate in this country. They ridiculed the new industry and for a long time denied that any mills existed here or that any tin plate was made. Notwithstanding the ridicule and misrepresentations of the free trader, the new industry has grown and prospered, until to-day the stubborn facts have hushed the free trader into silence, and no one dare stand up before the American people and deny the existence of this new and vigorous industry. It can well be said that the McKinley tariff is the father of the tin-plate industry, an industry which in the first four years of its existence has given employment to over 12,000 men, and indirectly, taking into account railroads, miners, teamsters, and laborers, to over 40,000 men.

Is there anyone so stupid as to say that a policy which has built up in this country an industry which gives employment, directly and indirectly, to 40,000 men, and in the first four years of its existence has saved to this country \$34,000,000, an industry which benefits every trade, occupation, and profession, is not beneficial to the country? Neither has the farmer been neglected, for he is benefited as much as anyone, for it has given him a market to supply the needs of over 100,000 consumers of his products. Nor can the free trader in this instance say that the tariff is a tax and is paid by the consumer.

The wholesale price of imported coke bessemer tin plates, I. C., 14 by 20, at New York, freight and duty paid, per box of full weight, 108 pounds, in July, 1891, when the McKinley Act took effect, was \$5.35. In March, 1896, it was \$3.85, a reduction in cost of \$1.43, or more than 25 per cent.

The following table gives the production of tin plates and terne plates in the United States in the fiscal years from July 1, 1891, to June 30, 1896:

Production of tin plates in the United States.						
Articles.	1891.	1892.	1893.	1894.	1895.	1896.
Tin plates.....	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.
Terneplates.....	4,539,590	45,743,107	81,608,785	130,327,949	212,569,181	94,830,440
	9,107,129	64,076,085	57,613,708	73,473,124		
Total.....	13,646,719	99,819,202	139,223,497	193,801,073	307,228,621	

The following table gives the quantities and foreign values of the tin plates imported into the United States in the calendar years from 1871 to 1895:

Imports of tin plates into the United States.

Year.	Gross tons.	Value.	Year.	Gross tons.	Value.
1871.....	82,960	\$9,946,373	1884.....	216,181	\$16,858,650
1872.....	85,629	13,893,450	1885.....	228,596	15,991,132
1873.....	97,177	14,240,868	1886.....	257,822	17,504,976
1874.....	79,778	13,067,658	1887.....	283,836	18,099,145
1875.....	91,054	12,098,885	1888.....	298,238	19,782,961
1876.....	89,946	9,416,816	1889.....	331,311	21,720,707
1877.....	112,479	10,679,028	1890.....	329,435	23,670,158
1878.....	107,864	9,009,997	1891.....	327,882	25,900,305
1879.....	154,250	13,227,659	1892.....	308,472	17,102,487
1880.....	158,049	13,478,110	1893.....	253,155	15,559,423
1881.....	183,005	14,886,907	1894.....	215,098	12,053,167
1882.....	213,987	17,975,161	1895.....	219,545	11,482,380
1883.....	221,233	18,150,773			

This bill provides a duty of 1½ cents per pound upon sugar of full strength and on refined sugar of 1.875 cents per pound. This duty is imposed upon sugar, first, to raise revenue, and second, to encourage the building up of the sugar industry of this country. The people of this country consume nearly one-third of the entire product of the world, consuming annually about 2,200,000 tons. In 1896 we imported 3,896,338,557 pounds, which cost the American people \$89,219,776. Why should we not produce the sugar we need and save this vast sum of money to our own people? Why send abroad from ninety to one hundred million dollars annually for an article we can produce as well as not?

Investigations have shown that twenty-three States of our Union are as well adapted to raising the sugar beet as any country in the world. We can raise as good sugar beets as Germany, France, or Austria, which are now among the great sugar-producing countries of the world, simply because the industry has been encouraged by those countries in paying a bounty on its production. The following table shows that the bounties paid by some of the countries of Europe to factories producing sugar from the beet in 1894 were as follows:

Germany.....	\$5,781,250
France.....	10,000,000
Austria.....	2,000,000
Belgium.....	5,000,000
Total.....	22,781,250

To which should be added Russia, Sweden, and Denmark, making a total of over \$25,000,000.

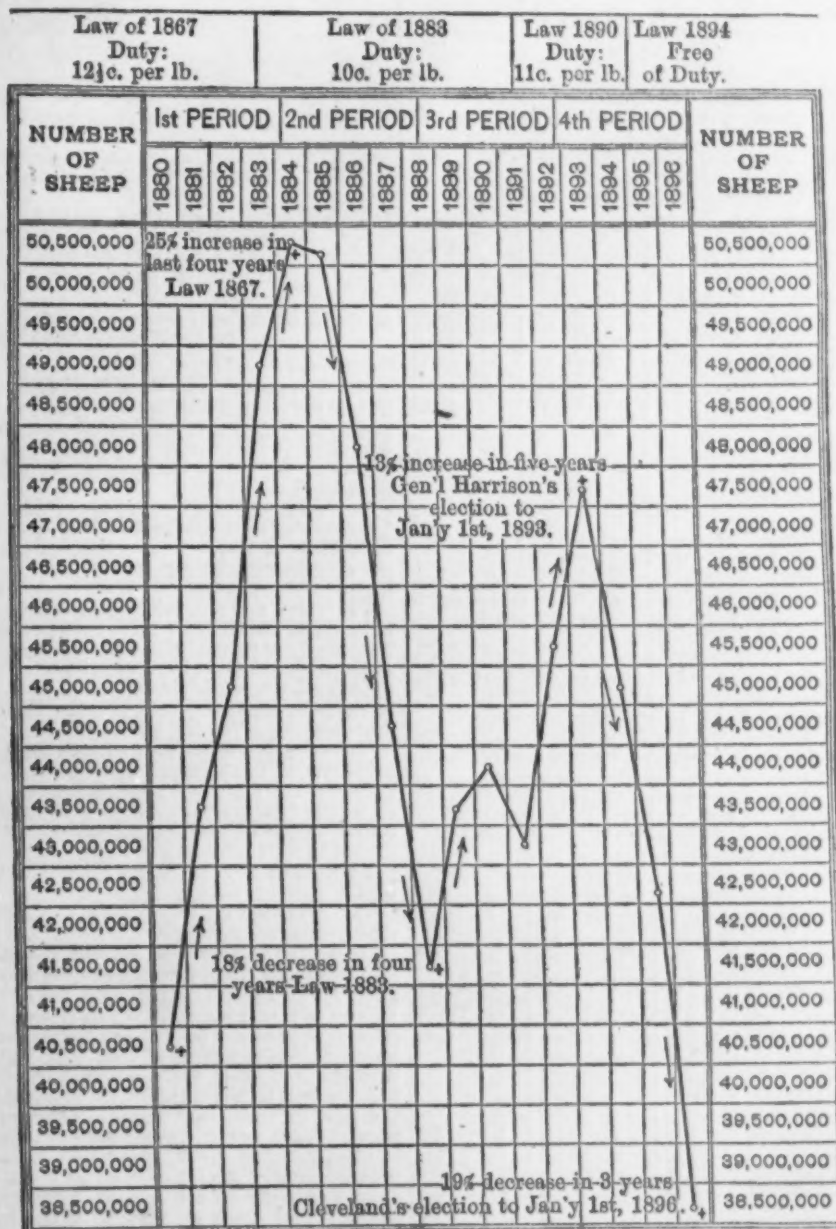
In 1880 nearly two-thirds of the world's sugar was from cane. In 1895 nearly two-thirds of the world's supply was from the beet. Germany imposes an import duty on sugar of 4½ cents per pound, thereby holding the home market to her producers, as the duty is practically prohibitory. She also pays an export duty of 27 to 38 cents per hundred to her producers, to aid them in gaining foreign markets for her surplus sugar. The world's production of sugar in 1896 is estimated to have been 8,248,246 tons, not including maple or sorghum sugar, as follows:

Cane sugar.....	Tons.
Beet sugar.....	3,537,151
	4,711,195
Total.....	8,248,346

Of this amount, the United States produces: Cane sugar, 237,000 tons; beet sugar, 37,000 tons. The following table shows the beet-sugar production and number of factories in different countries in the year 1895-96:

Country.	Factories.	Production.
	Number.	Tons.
Germany.....	403	1,830,500
Austria-Hungary.....	213	1,063,000
Russia.....	226	595,000
France.....	368	745,000
Belgium.....	121	250,000
Holland.....	30	85,000
Sweden.....	15	132,595
United States.....	7	30,000
Other countries.....	50	60,000
Total.....	1,443	4,771,095

Should we manufacture all the sugar we purchase from foreign countries, it will require 530 factories, each making 36 tons of granulated sugar every twenty-four hours, during a season of one hundred days and nights; and it is estimated that each factory will extract the sugar of 800 tons of beets each twenty-four hours, or 30,000 tons in one hundred days, making a total for the 530 factories of 15,900,000 tons of beets. Calculating that it will be necessary for each factory to employ 160 men at \$3 per day, this would make a sum of \$32,000 per factory each season, and for the 530 factories \$16,960,000. Figuring a yield of 16 tons per acre on an average, each factory will require a crop of 19 acres per day, or 1,900 acres for the campaign of one hundred days, and a total of 1,007,000



acres of land for the 530 factories. The number of men employed in the factories and in the production of the beets will support a population of over 2,000,000 people.

I heartily favor that part of this bill authorizing the Government to negotiate treaties of reciprocity. Reciprocity is that policy which simply asks foreign countries to give us something in exchange for the privilege of selling their tea, coffee, hides, and other products free in our market, by giving us lower duties upon some of our agricultural and manufactured products. This policy has been tried under the McKinley tariff and was found to work to great advantage in our foreign trade. In flour alone, in less than two years' trial of this policy, we increased our export trade 4,000,000 barrels per year, 2,000,000 barrels of which went to the Latin-American countries. Our export trade with these countries in 1893, compared with 1890, increased \$12,649,568, and we lost in trade, through the repeal of reciprocity by the Wilson bill, comparing 1895 with 1893, \$10,944,528.

The free traders threw away in one year, by the passage of the Wilson bill, all we had gained under reciprocity in three years. I believe it is the duty of the Government to begin to look outward and to extend our foreign trade wherever possible, especially with the Latin-American countries. These countries lie to the south of us and are our natural markets if we would only make sufficient effort to secure them. They are rich in mineral and agricultural resources, are capable of sustaining a vast popu-

lation, are new and just beginning to develop, and will need many of our agricultural and manufactured products.

The exports to the Latin-American countries with which reciprocity treaties were in force were as follows during the years ending June 30, 1890, 1893, and 1895:

Country.	1890.	1893.	1895.
Brazil .....	\$11,972,214	\$12,388,124	\$15,135,125
Cuba .....	13,084,415	24,157,698	12,533,390
Puerto Rico .....	2,207,538	2,510,007	1,830,323
Santo Domingo .....	850,217	1,143,479	1,318,919
Salvador .....	803,546	1,138,439	1,236,595
Nicaragua .....	1,373,019	937,859	937,329
British West Indies .....	8,288,781	9,006,032	7,607,561
British Guiana .....	2,106,345	2,000,675	1,664,830
Honduras .....	532,024	471,095	615,009
Guatemala .....	1,345,719	1,763,802	1,500,032
Total .....	42,869,823	55,519,391	44,574,863

Increase of exports of 1893 over 1890..... \$12,649,568  
Decrease of exports of 1895 compared with 1893..... 10,944,528

We can not hope to find a profitable market for our manufactured goods in Europe, but as this new continent develops and grows we can secure our just share of its trade if we make the effort to do so. Let the Government appoint energetic, business-



like officials to these countries, who will closely watch the interests of our people and seek to extend our trade whenever and wherever possible.

This bill seeks to build up our industries instead of destroying them, as did the Wilson bill, particularly regarding the sheep industry of this country. Through the injurious effects of that bill the number of our sheep has decreased over nine millions from January 1, 1893, to January 1, 1896, as the diagram on page 1056 will show.

Wool production of the world, 1860-96.

Countries.	1860.	1870.	1880.
	Pounds.	Pounds.	Pounds.
United Kingdom.....	140,000,000	150,000,000	149,000,000
Continent of Europe.....	600,000,000	425,000,000	450,000,000
North America.....	110,000,000	170,000,000	270,000,000
Australasia.....	60,000,000	175,000,000	308,000,000
Cape of Good Hope.....	25,000,000	43,000,000	60,000,000
River Plate.....	43,000,000	197,000,000	256,000,000
Other countries.....	76,000,000	69,000,000	133,000,000
Grand total.....	955,000,000	1,295,000,000	1,626,000,000

Countries.	1890.	1891.	1894.
	Pounds.	Pounds.	Pounds.
United Kingdom.....	134,000,000	147,475,000	141,809,077
Continent of Europe.....	450,000,000	639,917,000	765,721,984
North America.....	390,000,000	519,101,000	842,210,712
Australasia.....	490,000,000	650,000,000	963,600,000
Cape of Good Hope.....	70,000,000	128,681,000	* 131,225,000
River Plate.....	260,000,000	379,700,000	† 397,970,000
Other countries.....	166,000,000	204,900,000	260,030,000
Grand total.....	1,930,000,000	2,456,778,000	2,692,866,778

\* All Africa.

† All South America.

Number, average price, and value of sheep on farms, and their wool product.

Date of report.	Number.	Average price.	Value.	Pounds of wool.
1810.....	10,000,000			12,000,000
1820.....				14,100,000
1830.....				17,829,000
1840.....	19,311,000			35,802,114
1850.....	21,723,000			32,516,969
1860.....	22,471,275			60,264,913
1867.....	30,385,386	\$3.37	\$132,774,000	160,000,000
1868.....	38,001,912	2.59	98,407,800	168,000,000
1869.....	37,724,279	2.17	82,130,979	180,000,000
1870.....	40,853,000	2.28	93,064,433	192,000,000
1871.....	31,851,000	2.32	74,055,527	160,000,000
1872.....	31,679,800	2.80	88,771,197	180,000,000
1873.....	33,002,400	2.96	97,922,350	158,000,000
1874.....	33,038,500	2.61	86,080,569	170,000,000
1875.....	33,789,600	2.70	94,320,639	181,000,000
1876.....	35,665,600	\$2.60	\$93,005,314	192,000,000
1877.....	35,804,210	2.27	80,302,088	200,000,000
1878.....	35,740,500	2.35	80,003,082	208,250,000
1879.....	38,123,800	2.07	79,029,984	211,000,000
1880.....	40,765,900	2.21	90,230,527	232,500,000
1881.....	43,576,899	2.39	104,070,759	240,000,000
1882.....	45,016,224	2.37	106,595,954	272,000,000
1883.....	49,237,291	2.53	124,365,835	290,000,000
1884.....	50,626,630	2.37	119,002,706	300,000,000
1885.....	50,980,243	2.14	107,990,050	308,000,000
1886.....	48,322,331	1.91	92,443,867	302,000,000
1887.....	44,759,314	2.01	89,872,839	285,000,000
1888.....	43,544,755	2.05	89,279,926	290,000,000
1889.....	42,999,079	2.13	90,640,389	295,000,000
1890.....	44,336,073	2.27	100,639,761	276,000,000
1891.....	43,431,186	2.51	108,397,447	285,000,000
1892.....	44,038,365	2.53	116,121,270	294,000,000
1893.....	47,273,556	2.66	125,909,294	303,151,065
1894.....	45,048,017	1.96	88,186,110	287,105,960
1895.....	42,294,064	1.58	66,824,621	254,296,728
1896.....	38,298,793	1.70	65,167,735	

Their value since 1893 has decreased over \$60,000,000. You can not destroy a great industry, producing an annual wool clip valued at over \$90,000,000, without injuring other industries and affecting the prosperity of the country.

Those who believe there is not money enough in circulation to do the business of the country should be willing to vote for this bill, and retain here over a hundred million of dollars which is paid annually to foreign producers of sugar. They should be willing to vote for this bill and retain within our border over \$90,000,000 paid annually to foreign producers of wool and woollen goods. Mr. Chairman, this bill should be passed promptly, so that the business interests of the country can adjust themselves to it. The people are anxious to have Congress act and to afford them the relief that this bill provides. Pass it promptly, and I believe we will soon see a gradual revival of business, and soon prosperity will again prevail throughout this land.

## The Tariff.

## SPEECH

OF

HON. W. F. LOVE,

OF MISSISSIPPI,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897,

On the bill (H. R. 579) to provide revenue for the Government and to encourage the industries of the United States.

Mr. LOVE said:

Mr. CHAIRMAN: The tariff has been an issue with the American people for more than a century, and has been discussed in all of its phases by the most distinguished statesmen, profoundest thinkers, and ablest writers of the age; therefore, it is difficult for one to advance new ideas or contribute additional learning to this exhausted subject.

But realizing the magnitude of the interest involved and its far-reaching and disastrous effect upon the American people, my duty to those whom I have the honor to represent demands that my voice and my vote should be used against this proposed legislation.

There are some provisions in this bill acceptable to me, but I have great objections to others, while against the bill as a whole I earnestly protest. What should hinder us from exercising our own judgment upon these provisions, singly and severally? Why should the friends of this bill place us in a condition where we can not give to each item that is distinct and separate in itself a separate and distinct consideration? We have not been allowed time to consider this important bill by sections. Not an amendment has been allowed except when offered by the Ways and Means Committee. How is it possible for this House to vote intelligibly on a bill of 163 pages, when only about 20 pages of it have had any consideration in the Committee of the Whole? This bill is expected to raise annually at least \$118,000,000 by an indirect tax on the people to protect trusts. There is no need for this reckless haste.

There is in the Treasury now \$117,000,000 in excess of the amount that is required for the gold reserve, and the amount is increasing each day. This amount, even at the rate of deficiencies for the last two years, would supply the deficiencies and run the Government for two years longer, with the ordinary revenues under the Wilson bill, and they would increase under a normal condition of affairs. There can be but one reason for this extraordinary procedure. It is not want of time. The only solitary reason is that this bill is of such character that if submitted in the ordinary, orderly way to the members of this House, there is great fear on the part of those who have it in charge that it would fail in its present form, would be made less burdensome upon the people, and less beneficial to special interests. This bill, we are informed by the minority of the Committee on Ways and Means, was framed almost entirely by the agents of the protected interests of our country, and many paragraphs of the bill are in the exact language of their petitions.

Gentlemen, you can prevent a fair discussion and perfection of this bill here, but we will force you to discuss it before the people, where speech is free and where debate is not limited to the five-minute rule.

Mr. Chairman, agriculture, manufacture, and commerce constitute the immaculate tripod upon which rests the fabric of American institutions, and their great interests should be united and inseparable. All legislation is unwise which proposes to benefit one of these without looking to consequences which may fall on the others. Now, let us apply the schedules of this bill respectively to these three fundamental sciences of our Government and see what would be the effect.

## AGRICULTURE.

Agriculture is the oldest, the broadest, and most important of all the fields of human labor. It marked the dawn, has distinguished the progress, and is destined to crown the last stages of activity. In all ages and in every era of the world's history agriculture has been regarded as the basis of national development and greatness and the nursery of civilization; therefore it is specially entitled to the fostering care of all governments. It is alarming when we study the statistics and learn how agriculture is waning in this country. It challenges our deepest concern. In 1850 the assessed wealth of this country was \$8,000,000,000, of which sum the farmers owned \$5,000,000,000. In 1860 the wealth

of the United States was \$16,000,000,000, of which the farmers owned \$12,000,000,000. In 1870 the wealth of this country was \$30,000,000,000, of which the farmers owned \$11,000,000,000. In 1880 the value of all property in the United States was \$46,000,000,000. Of this, the farmers owned \$7,000,000,000. In 1890 the entire wealth was \$63,000,000,000, and the farmers had but \$9,000,000,000.

The census reports show great inequality between farm and factory labor, as is proven by the following tables:

The census reports contain the following complete statement regarding the entire manufacturing interests of the country:

Entire capital invested.....	\$6,524,475,906
Value of all manufactured products.....	9,370,107,624
Miscellaneous expenses.....	\$630,944,028
Wages paid.....	2,282,823,235
Cost of raw material.....	3,158,868,353
	8,072,635,678
Net profits.....	1,297,471,948

This table shows a net profit of 20 per cent on the capital stock of all manufacturing concerns for the year 1890.

The census also gives a correspondence but not so complete a statement regarding agriculture:

Number of farms in the United States in 1890.....	4,554,641
Number of acres in farms.....	629,318,619
Number of acres in average farm.....	137
Total value of farms and stock.....	\$15,082,307,980
Value of farm products sold, consumed on the farm, and on hand.....	\$3,460,107,454
Value of farm products per average farm.....	\$538

The manufacturing interest, with a capital of six and one-half billions, made a net profit of \$1,297,471,948, or 20 per cent on the investment, and paid labor over two billions of dollars, while agriculture, with nearly sixteen billions capital, earned a gross profit of \$2,460,107,455, and is credited with paying nothing for labor. Now, if the gross proceeds of an average farm of 137 acres is \$538, and five persons are allowed for each family, it will show a gross income annually for each person of \$107.75, or an average per capita income of 29 cents per day, out of which all expenses must be paid, including food and clothing. Now, as will be seen in a statement sent Senator MILLS, of Texas, which I will print, the gross income of the American factory operative is \$347, or 95 cents per day, more than three times that of the farm laborer:

DEPARTMENT OF LABOR, Washington, D. C., February 6, 1894.

MY DEAR SIR: In response to yours of January 18 and January 26, I have the honor to state that from the very best sources which I have been able to consult I estimate the average annual earnings in all manufacturing industries in the countries named by you to be as follows:

Country.	Total value of products.	Number of employees.	Product per hand.	Annual wages paid.
United Kingdom.....	\$4,100,000,000	5,180,000	\$790	\$204
France.....	2,245,000,000	4,443,000	545	175
Germany.....	2,915,000,000	5,350,000	545	185
Russia.....	1,815,000,000	4,760,000	381	120
Austria.....	1,265,000,000	3,690,000	409	150
Italy.....	605,000,000	2,281,000	265	180
Spain.....	425,000,000	1,167,000	364	120
Belgium.....	510,000,000	953,000	545	165
Switzerland.....	300,000,000	370,000	443	150
United States.....	7,215,000,000	3,897,000	1,880	347

1, United States, \$347; 2, Great Britain, \$204; 3, France, \$175; 4, Belgium, \$165; 5, Germany, \$185; 6, Austria, \$150; 7, Switzerland, \$150; 8, Italy, \$130; 9, Spain, \$120; 10, Russia \$120.

The above estimate has been made, so far as the United States is concerned, from the actual number of persons employed and the total wages paid to them, as shown by the census of 1890; for Great Britain they have been made largely from British figures, and for the other countries the estimates have been made from statements originating with foreign authorities and verified by facts collected by agents of this Department. While the actual figures given in the above estimates may not be more than approximately correct, the proportions, I feel sure, are fair.

I am, very respectfully,

CARROLL D. WRIGHT, Commissioner.

In the United States there are over 8,000,000 persons engaged in agriculture, with a capital investment of more than \$13,000,000,000, which is constantly decreasing in value under the protective system, from which they receive no benefits, although they bear the greatest share of its burdens. The products of agriculture constitute about 70 per cent of our exports; they largely pay the balances in our foreign trade. Last year our farm products sold for \$369,879,297. Of this amount \$190,000,000 was on cotton. Now, if agriculture is such an important factor in our Government, is it not just and wise that that industry should be fostered and

raised from its low depression? Will the farmer be benefited in the least by this measure? Certainly not.

On the contrary, it is an insult to every producer of cotton, corn, wheat, and oats in the country. The protection you offer the farmer on his products is a farce, since the import of those articles is so infinitesimally small compared with the export. You have lauded the farmer in most eloquent terms as you have boastfully told of his going through the pelting rain and drifting snow on election day to vote for protection. If this statement be true, what base ingratitude on your part to give them no share in the distribution of election favors that you have so lavishly been bestowing upon many political manipulators. The only thing that has contributed to the farmers' advantage of recent years, beyond his own individual efforts and close economy, has been the low prices at which he could supply his needs.

Now, by this measure you propose to remove even this advantage by increasing the price of the articles he must necessarily buy without enhancing in the least the price of farm commodities. How do you expect to establish a better home market for manufactured goods—which is your pet theme—when the farmer, who is the best customer, is unable to buy even the necessities of life at present prices? Under the present law nearly all agricultural implements, including cotton gins, bagging, and ties, salt, and other necessary articles on the farm are on the free list, which is about the only protection the farmer can receive. You now propose to tax them an average of 45 per cent, which will be levied on the farmer's labor; yet your pretended purpose is to protect American labor and industry.

I would like to have some member of the Republican party point to a single section of this act that will give an increased price or enlarged market for the farmer's products to compensate him for the increased cost of the necessities of life. This bill compels the farmer to sell in the cheapest market in the world and buy in the dearest. It is true that grain of all kind, vegetables, meats, and live stock are put on the dutiable list, but we raise a large surplus of these articles which must find a market beyond the seas, and their market price is regulated here as well as abroad by their foreign value.

The McKinley Act placed a tariff of 15 cents per bushel on corn and 25 cents per bushel on wheat, both of them, like cotton, raised largely in excess of the home consumption. Did the import duty then help the corn and wheat producer? No. Although the production of both corn and wheat decreased for several years after that tax went into effect, the price of corn declined from 40.6 cents per bushel in 1891 to 25.3 cents per bushel in 1895. Wheat declined from 83.9 cents per bushel in 1891 to 50.9 cents per bushel in 1895.

The total agricultural exports for the fiscal year ending June 30, 1896, were \$569,879,297. Of this amount, \$504,758,012 consisted of the great staple articles of the West and South, which were forced into seeking a foreign market. This country can produce these articles cheaper than elsewhere in the world, and the United States therefore holds the home market as to farm products against all importers regardless of the tariff. The United States exported for the fiscal year 1896 of corn and corn meal 101,100,375 bushels, and imported, all told, 4,838 bushels, brought here principally for seed purposes; of tallow, exported 52,759,212 pounds, and imported 8,262,597 pounds; lard, exported 509,534,256 pounds, and imported 2,116 pounds; beef, exported 360,674,917 pounds, imported 598,608 pounds; oats, exported 13,612,590 bushels, and imported 47,506 bushels. Of bacon and ham we exported 425,352,187 pounds and 129,036,351 pounds, respectively; imported of both, 275,503 pounds. Of mutton, exports, 422,950 pounds; imports, 158,068 pounds. Of pork, 70,243,029 pounds; imports, 29,847 pounds. The duty paid last year on imported wheat was \$432; corn, \$784; corn meal, \$10.26; oats, \$272; flour, \$313. The whole duty that would be collected on the importation of these farm products will not amount to over \$25,000.

You can not delude the farmer with the hope that by this proposed law you can give him a better market at home for his cotton, wheat, and other products, for year by year we see a great and increasing surplus of our products going abroad for a market, and there are millions of acres of land yet to be brought into cultivation that must find an outlet in the markets of the world. The manufacturers themselves must find consumers for their products in foreign markets, for our industries have a capacity to produce twice as much as the American people can consume. We have, in fact, risen to be the producing nation of the earth.

Recent statistics show that we are producing 37 per cent of the steel production of the whole world, 32 per cent of the pig iron, 27 per cent of the iron ore, 30 per cent of the coal, 80 per cent of raw cotton, 12 per cent of wool, 18 per cent of the wheat, and 87 per cent of corn, which, on the average, shows that we are producing more than 40 per cent of the staple products of the earth, while we have only 4 per cent of the population, which is self-evident that we can not continue in our progress unless the markets of the world are open to purchase the products of our toil.



The farmer does not ask for any special favors or privileges, but only demands that the Government be administered for the general welfare of all classes without discrimination.

#### MANUFACTURES.

Do our manufactories need further and increased protection; and if so, how much? On this point we have had many general statements, but little precise information.

There are 20 per cent of the working population and about 8 per cent of the total population engaged in manufacturing pursuits. Now, suppose the increased duties proposed by this bill would give them an increase of profit and wages. Should it be done at the expense of the remaining 92 per cent of our population?

It is often asserted on the floor that our manufacturing industries have suffered greatly by the enactment of the Wilson law. Now, let us investigate the official statistics. The volume of foreign goods imported into the United States during the last fiscal year was \$160,000,000 less than was imported during the last fiscal year under the McKinley law, which proves that the foreigner is less in the home market than ever before. The statistics show that the productions of iron ore under the Wilson bill are 40 per cent greater than they were under the McKinley bill, pig iron 25 per cent greater, iron furnaces in blast 25 per cent greater, while our exports of iron and steel increased 20 per cent under the Wilson bill, and our consumption of iron ore has increased 45 per cent.

It was predicted that the reduction in tariff on iron ore under the Wilson bill from 75 to 40 per cent would cause large importations, but the figures show to the contrary, for in 1895 the exports of iron and steel were \$35,062,838, the largest ever before. The Treasurer's report shows that in 1893, under the McKinley law, we imported \$18,735,728 more than we exported, while in 1895, under the Wilson law, our exports exceeded our imports seventy-five millions and in 1896 over one hundred millions, and during the last eight months our exports have exceeded our imports more than three hundred millions.

Our importations from foreign countries have fallen off, as compared with the McKinley bill, very materially. Since the passage of the Wilson bill our exports of cotton goods have increased more than 50 per cent, making a total of \$16,000,000, higher than ever reached before. From 1891, the first year the McKinley law went into operation, to 1896, the last year of the Wilson Act, our domestic exports of manufactures increased largely, as you will observe by the following table:

Domestic exports, 1892	\$158,510,937
Domestic exports, 1896	228,571,178

A net increase of from 15.61 to 26.48 per cent.  
Some of the principal increases follow:

	1892.	1896.
Agricultural implements	\$3,219,130	\$5,176,775
Animals	22,935,086	41,840,269
Fruit	2,434,793	5,679,066
Hides	1,333,655	3,858,946
Iron and steel manufactures	28,909,614	41,160,877
Leather manufactures	13,278,847	20,242,756
Chemicals and drugs	6,545,354	9,063,058
Copper, and manufactures of	4,614,597	19,730,104
Breadstuffs	128,121,656	141,356,923
Cotton manufactures	13,604,857	16,837,396
Glass	868,374	1,062,225
Paper, and manufactures of	1,290,169	2,713,875
Tobacco, and manufactures of	25,220,472	28,951,723
Wood, and manufactures of	26,270,940	31,947,108
Wool, and manufactures of	519,198	913,609

#### Total imports and exports of manufactured goods.

Year.	Imports.	Exports of domestic manufactures.
1890	\$789,310,409	\$151,102,376
1891	844,916,196	168,927,315
1892	827,402,462	158,510,937
1893	890,400,922	158,023,118
1894	654,904,622	183,728,808
1895	731,989,965	183,595,743
1896	779,724,674	228,571,178

It will be seen from these tables that the amount of goods manufactured and sold abroad has increased and the importations decreased. Now, then, in the face of these facts, how can anyone contend that the present condition of the country is due to the passage of the Wilson bill or foreign competition? To show how unequal the tariff burdens are resting upon the country, enabling the East and North to prosper at the expense of the South and West, I will print in my remarks a statement prepared with great

care by the gentleman from South Carolina, Mr. McLaurin, including his comments on the same.

During the early months of 1895 the Atlanta Constitution, another leading Southern journal, succeeded in collecting data from the auditors and controllers of forty-three States and Territories regarding the increase and decrease of property valuation therein for the years 1893 and 1894. The following table is a summary of the facts gathered:

State or Territory.	1893.	1894.	Increase.	Decrease.
Alabama	\$200,172,500	\$243,171,677		\$17,000,913
Arizona	28,498,183	27,061,974		1,436,209
Arkansas	173,526,484	171,965,480		1,561,004
California	1,216,700,000	1,205,918,000		10,782,000
Colorado	238,722,417	208,905,279		29,817,138
Florida	102,965,406	104,246,969	\$1,281,563	
Georgia	452,644,907	429,012,923		23,631,984
Idaho	33,000,000	28,000,000		5,000,000
Illinois	847,101,516	824,651,628		22,550,888
Indiana	1,302,004,609	1,275,435,377		26,569,232
Iowa	535,857,790	556,412,793		9,445,003
Kansas	350,821,818	357,501,722		19,139,096
Kentucky	706,799,076	694,220,342		10,578,734
Louisiana	250,045,503	251,091,348	1,045,845	
Maryland	624,056,241	629,138,103	5,081,862	
Maine	270,812,782	272,819,370	2,006,588	
Massachusetts	2,791,582,144	2,815,883,621	24,301,477	
Minnesota	642,003,651	649,759,254	7,755,603	
Mississippi	160,949,827	159,058,496		1,891,331
Missouri	994,589,787	999,951,909	5,362,122	
Montana	127,548,175	118,850,892		8,697,283
Nebraska	194,733,124	183,717,498		10,015,626
Nevada	20,178,000	23,629,720		2,541,720
New Hampshire	274,816,342	269,683,799		5,132,543
New Jersey	768,265,274	774,398,332	6,133,058	
New Mexico	43,630,240	41,128,620		2,501,620
New York	4,038,058,949	4,273,942,431	235,883,482	
North Carolina	261,717,727	262,927,119	1,209,392	
Oklahoma	15,029,927	14,830,495		199,432
Ohio	1,752,990,930	1,742,662,115		10,328,815
Oregon	108,088,996	150,369,383		17,689,322
Pennsylvania	3,115,320,549	3,162,114,251	46,793,702	
South Carolina	170,242,261	173,508,269	3,266,008	
South Dakota	136,032,940	128,046,765		7,986,175
Tennessee	338,731,738	319,822,197		18,909,541
Texas	686,175,385	867,814,385		18,638,999
Utah	117,245,375	99,542,472		17,702,903
Vermont	176,051,365	175,132,912		918,453
Virginia	406,945,118	464,038,622		2,900,196
Washington	285,634,246	228,356,572		57,277,674
West Virginia	222,218,154	220,017,407		2,200,747
Wisconsin	654,000,000	600,000,000		54,000,000
Wyoming	32,350,801	29,198,041		3,152,760

The official record of the value of property returned for taxation in 1893 and 1894: Five hundred millions missing from the South and the West.

This table is given to prove that whatever financial disasters may overtake the balance of the country, New England and its allies remain undisturbed and continue their work of accumulation.

#### NEW ENGLAND AND ITS ALLIES.

Out of these 43 States and Territories only 12 show an increase of property valuation, while the remaining 31 show almost uniform decreases.

The total increase for the 12 States is \$387,800,753. Of this amount \$235,883,482 comes from New York alone. Seventy per cent, it is seen, comes from New York, and 70 per cent of the balance comes from Massachusetts and Pennsylvania. The total increase in the remaining 9 States is \$30,822,002.

The 31 States and Territories show a falling off. This decrease in property valuation amounts to the enormous sum of \$500,185,795. It is widespread, there being no such radical decrease as New York shows in opposition. New Hampshire and Vermont show a decrease, but taken as a whole the entire New England and Middle Atlantic States show a net increase in property valuation for taxation of \$312,110,553. Only 2 of the Western and Middle States show an increase, and the net decrease from that vast territory foots up \$319,824,785. In the 12 Southern States given, 4, North and South Carolina, Florida, and Louisiana, show a small increase. I am at a loss to account for such an increase, unless it be from the same cause as in South Carolina, where a reassessment of railroad and bank properties was effected which materially increases the taxable valuation of the State.

But with this increase the net loss for that section is \$90,284,580. Bear in mind that the year 1894 is compared with the panic year of 1893. These figures are startling. It is a story of stupendous losses the people have sustained and of the extraordinary gains that have been made by the money and manufacturing centers of the East at the expense of the other sections.

It is a story of increasing poverty and disaster on the one hand and increasing power and wealth on the other. As I understand it, this immense sum refers to the loss in property values usually listed for taxation. It does not refer to or include the depreciation of the products of labor, the depression in business and its losses, or the enforced idleness or waste of labor efforts. Such losses can not be approximated, much less be given in detail.

Such a statement as this ought to reveal quite clearly that a vast difference of conditions and degrees of prosperity exists among the people of this country.

In order to sustain my contention that the East has been piling up vast accumulations of wealth, while the great producing sections of the nation can barely hold their own, I will give a comparison between the census of 1890 and the census of 1890. If the figures which I have just given surprise the gentleman from Maine, those which I am about to give will be utterly startling. In fact, to analyze them carefully is to discover the most monstrous system of exchange brigandage of this or any other country. It is enough to convince any right-minded man that this system must be changed, and that at once, if we would preserve our free institutions or national integrity.

I shall quote to some extent from a synopsis of the census bulletins by Mr. S. S. King, found in his book entitled *Bondholders and Bread Winners*. I will begin with the States of Indiana, Illinois, Iowa, Nebraska, Louisiana, Mississippi, Alabama, Georgia, and North Carolina. These 9 great States are those

upon which the country depends for the production of wheat, corn, and other cereals, meat, dairy products, sugar, cotton, tobacco, rice, and almost everything that the agricultural portion of our country produces.

With these I will compare the States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, and Pennsylvania. In these nine States is found the great manufacturing and money centers of the nation. The relative condition of these two groups of States should give a fair interpretation of the truth or falsity of my position. The first group of States has 486,040 square miles of land, while the second group of States has but 168,665 square miles, about 3 to 1. The population of the first group is 13,409,167 people, while the second is 14,507,407. During the ten years between 1880 and 1890 the first group, or producing States, gained in wealth \$59,441,674, while the second group, or manufacturing and money-lending States, gained in wealth \$1,684,762,722. In other words, the 9 manufacturing States, with but one-third as much land, and less than two million more people, gained in wealth five times as much as the producing States. The producing States gained 22 per cent in people and 20 per cent in wealth, while the manufacturing States gained 30 per cent in people and 40 per cent in wealth.

Again, let us compare these 9 producing States with the single State of Massachusetts. As I stated before, these 9 States contain 486,040 square miles. Massachusetts has only 8,315 square miles. These 9 States contain 13,409,167 people, while Massachusetts has but 1,783,085. These 9 States in 1880 had an assessed valuation of \$2,792,919,355. The assessed valuation of Massachusetts was \$1,584,756,802. The relative position which these 9 States held to Massachusetts regarding land, labor, and capital was: Land, 58 to 1; labor, 7 to 1, and capital, 2 to 1. The 9 producing States had 58 times as much land, 7 times as much labor, and double the amount of capital that Massachusetts had.

Under such conditions it would seem that with all these advantages the increase of wealth would be largely in favor of the 9 producing States, but such is not the case. While these 9 producing States increased in wealth during the ten years between 1880 and 1890 \$59,441,704, the little State of Massachusetts increased in wealth \$59,377,824. This one little manufacturing State increased in wealth nearly ten millions of dollars more than these 9 great producing States. Striking as these figures are, they will be surpassed as the comparison is continued. To these 9 great producing States I will add Florida, Kentucky, and Kansas, and compare these 12 States with the State of Pennsylvania.

These 12 States contain 667,100 square miles. Pennsylvania has but 45,215. In 1880 these 12 States contained 16,323,441 people. Pennsylvania only 4,282,801. The assessed valuation of these 12 States in 1880 was \$3,335,313,121, that of Pennsylvania \$1,683,450,016. The gain of these 12 States in wealth in ten years was \$87,184,160, while the gain of Pennsylvania for the same period was \$60,382,016. With fourteen times as much land, four times as much labor, and twice as much capital, these 12 great States were led by the single State of Pennsylvania more than \$12,000,000.

To these 12 States I will add Tennessee, Virginia, and West Virginia, making 15 States, and compare them with New York. These 15 States have an area of 776,480 square miles; New York has but 49,170. These 15 States had a population of 19,996,827 in 1880, while New York had 5,982,871. The assessed valuation of the 15 States at that date was \$3,965,109,502, while that of New York was \$2,651,940,000. The gain of these 15 States in wealth during the ten years named was \$1,117,183,313; that of New York was \$1,123,385,932.

With one-sixteenth as much land, one-fourth as many people, and but two-thirds as much capital, this one State of New York increased its wealth about six millions more than these 15 great producing States. It seems impossible, but such are the figures.

I will make but one more comparison. To the 15 States named I will add Missouri, Arkansas, South Carolina, Maryland, Delaware, and the great State of Ohio, making 21 States in all. Here is an empire in extent and in the diversity of its productions. The resources of this vast territory are almost beyond comprehension, while the industry and intelligence of its people are unsurpassed.

These 21 States, with all their possibilities, I will compare with the 9 States first mentioned, the 6 New England States, with New York, New Jersey, and Pennsylvania added. The area of the 21 States is 985,635 square miles; that of the 9 States 168,665 square miles. In 1880 the population of the 21 States was 28,242,922, while that of the 9 States was 14,507,407.

The assessed valuation of the 21 States in 1880 was \$6,839,554,628; that of the 9 States was \$7,559,928,915. The 21 States gained in wealth during the ten years named \$1,608,193,657. The 9 States during that period gained \$1,684,762,722. These 9 States gained nearly twice as much as the 21 States in the face of all this disadvantage. Surely this showing makes good the declaration of the poet:

"The seed ye sow, another reaps;  
The wealth ye find, another keeps."

[Applause.]

Again, the capital invested in the manufacturing industries increased 121 per cent from 1880 to 1890, while during that same period farm values shrunk from 30 per cent of the total wealth of the country to 20 per cent of the same.

We are urged to adopt the system of protection on general principles. And what would be the consequence of the universal application of such a general principle but that nations would abstain entirely from intercourse with one another? In this enlightened age of the world nations will supply themselves from the best sources, and the true policy of all producers, whether of raw material or of manufactured articles, is not vainly to endeavor to keep other vendors out of the market, but to outstrip them in it by the quality and cheapness of their article. It is not in the nature of commerce to enrich one party at the expense of the other. In this day of knowledge and progress there can be no commerce between nations but that which shall benefit all who are parties to it.

A distinguished writer, discussing this subject, said he objected "to all attempts to frustrate the benevolent intentions of Providence, which had given to various countries various wants in order to bring them together. Commerce, to continue undisturbed and secure, must be, as it was intended to be, a source of reciprocal amity between nations and an interchange of productions to promote the industry, the wealth, and the happiness of mankind."

The doctrine of prohibition sought to be indoctrinated by this measure, and which proved to be disastrous in the McKinley law, as a general doctrine would be preposterous. Suppose all nations were to adopt it, they would be prosperous, then, according to

the arguments of gentlemen on the other side of the Chamber, just in proportion in which they abolished intercourse with one another. Protection and encouragement are, doubtless, sometimes wise and beneficial if kept within proper limits, but when carried to the point of prohibition become an absurdity.

#### DINGLEY BILL AN INCREASE OVER MCKINLEY BILL.

In 49 out of 82 items in Schedule A there is an increase over those of the McKinley law, and in every one of the other items, almost without exception, the rate is much higher than under the Wilson bill.

Twelve out of the 14 schedules show an increase over the McKinley law. The rate of duty under the McKinley law averaged 49.58 per cent, the rate of duty under the Wilson law averaged 39.94 per cent, and the rate of duty under the proposed bill is 57.03 per cent, or 8 per cent higher than the rate fixed by the McKinley law, which was condemned by the American people.

The consumer, in order to protect the home market, will be required to pay 82 per cent on paints, 58 per cent on nails, 93 to 120 per cent on glass, 133 per cent on table cutlery, 129 to 195 per cent on pocketknives, 80 to 170 per cent on ready-made clothing, 178 to 350 per cent on worsted knit goods, 170 to 200 per cent on dress goods of certain textures, 38 per cent on muslin, 110 per cent on hats, 100 per cent on woolen goods, 200 per cent on floor matting, and 110 per cent on blankets. On all these articles the finer the goods the lower the duty.

#### SUGAR SCHEDULE.

One of the most unjust schedules proposed in this bill is the differential on refined sugar, or the difference between raw and refined sugar, which is specially to the interests of the sugar trusts. The duty on raw sugar has been increased three-fourths of a cent per pound, from nine-tenths to 1.63 cents, while the duty on refined sugar is 1.87½ cents per pound. The differential duty proposed is twice the amount allowed under the existing law, or 36½ cents per 100 pounds. In the last ten years of its existence the sugar trust has taken from the people \$97,000,000 in the way of excessive profits. I will here quote the following extracts from the recent remarks of the distinguished gentleman from Tennessee [Mr. McMILLIN] pertaining to this subject, which, no doubt, will be read with much interest:

#### TAKING CARE OF THE SUGAR TRUST.

Mr. Chairman, not only have the gentlemen increased this burden of taxation, but in doing so they have taken good care of the corporations and trusts which now control the sugar market. Notwithstanding the fact that sugar manufacturing can be done in this country as cheaply as anywhere in the world, notwithstanding its manufacture is in the hands of the most gigantic trust organized in this or any other country, they give such a margin to the trust in the way of difference between the tax placed on raw and on refined sugar that they not only perpetuate its existence and power but continue its enormous profits and dividends. In the presence of these gentlemen who framed this bill it was demonstrated by witnesses who came before the Ways and Means Committee at the hearings—

First, that a gigantic trust existed in this country to control manufactures, regulate prices, and increase their profits.

Secondly, that the two wings of this trust—the eastern and western—have entered into an agreement by which they farm out and appropriate the territory of this great Government and these 72,000,000 people among themselves, each agreeing to supply certain portions of the territory and not to invade the other's territory nor, within the other's territory, cut prices.

Thirdly, that in order to carry out this scheme and insure its perpetuity and profits, the American Sugar Refining Company controls absolutely the price of refined sugar every day. Its operations were made successful by entering into contract with those by whom the sugar is sold that they would not sell the sugar thus purchased below the price fixed by the refiners. A contract to this effect has to be signed. The profits paid to the grocer who handled the sugar came by way of a commission of three-eighths of a cent a pound paid back to the grocer if he was able to certify that he had sold according to the trust prices and direction. If he is unable to make this certificate, he gets no profit. He was, therefore, unable to cut the price of sugar under any circumstances. If he had a faithful and heavy customer with whom he would gladly divide his commission, the iron-bound obligation with the trust prevented him from doing so and cut him off from all profit if he did.

Sir, the hearings show that the sugar schedule of this bill was framed in New York and furnished to the committee.

Sir, that was the condition when the hearings were on; that is the condition to-day. Leaving the one-eighth difference between raw and refined sugar as contained in the present law, the committee, at the behest of somebody, has fixed the differential rate between raw and refined sugar at 35 to 40 cents per 100 pounds, all of which goes to increase the price of sugar and to sustain the most colossal trust of modern times. How much more is obtained by controlling absolutely the sugar market for 72,000,000 people I do not undertake to say. [Applause on the Democratic side.] What excuse is there for this? The trust came before the committee and made its demands. Its demands were heeded. That will not be denied by any man who has read these hearings. Now, I ask you whether there is any trust on this earth that is larger than the 72,000,000 of our American people if their representatives do their duty? [Applause on the Democratic side.]

During the discussion of this measure the Democrats and Populists have repeatedly attempted to incorporate an amendment that would deprive trusts of the benefit of protective features of this bill, but in every instance it has been vigorously resisted and defeated by the Republicans. That party owes too much to the trusts to legislate against them—on the contrary, they are fondly fostered.

In the Fifty-first Congress some of the leading Republicans, as will be seen by the following extracts from the CONGRESSIONAL RECORD, believed that the duty then collected on imported sugar,



amounting to \$35,975,984.52, or nearly \$1 per capita, was a burdensome tax:

[Ways and Means report, by William McKinley, Fifty-first Congress, first session. Report Volume V, page 14.]

The committee recommend up to and including No. 16 Dutch standard in color and molasses be placed on the free list.

In 1889 the duties collected on imported sugar and molasses amounted to \$55,975,610. Add to this the increase of price of domestic sugar arising from the duty, and it is clear that the duty on sugar and molasses consumed by the people of this country is at least \$64,000,000, or about \$1 for every man, woman, and child in the United States, more than it would have been if no such duties had been levied and the domestic product had remained the same.

Even on the assertion that with proper encouragement we shall eventually be able to produce all or nearly all the sugar required for the consumption of our people—an assumption which you can believe to be sustained by the facts, notwithstanding the slow progress thus far made in sugar culture in this country—this encouragement can be given much more economically and effectually by a bounty of 2 cents per pound, involving the expenditure of but little more than \$7,000,000 per annum, with the present production of sugar in the United States, than by the imposition of a duty involving the collection of \$65,975,610 in duties in the last fiscal year, not to mention the amount indirectly involved. When it is considered that this increase in the cost due to the duty on sugar falls on the article of prime necessity as food, your committee are persuaded that justice as well as good policy requires that such an unnecessary burden in the way of a direct tax should be removed from sugar and that the encouragement required to induce the production of sugar in the United States should be given through a bounty rather than by import duty.

In support of this report Mr. McKinley spoke as follows:

Now, Mr. Chairman, what have we accomplished by this? We pay annually \$65,000,000 upon the sugar we import. The gentlemen on the other side claim rightly that this is a revenue duty. It is a revenue duty. It is a Democratic duty. Being a Democratic revenue duty, every dollar of it is paid by the American consumer. Last year we paid \$65,000,000 out of our pockets to protect whom? To protect the men in the United States who were producing just one-eighth of the amount of our consumption of sugar. Now, we wipe that out, and it will cost us to pay the bounty just \$7,000,000 every twelve months, which furnishes the same protection at very much less cost to the consumer. So we save \$48,000,000 every year, and leave them in the pockets of the people. [Applause on the Republican side.]

Sir, when we lift from the American people this vast sum of \$48,000,000 of taxes, they can put up every twelve months 48,000 houses costing \$1,000 apiece.

Mr. DINGLEY's remarks on the same subject were as follows:

The greatest relief will be found by the transfer to the free list of sugar up to and including No. 16 and molasses, because sugar and molasses have become as necessary articles of food as flour, and seven-eighths of our consumption is imported, a condition of things which both sides admit makes the duty a tax that increases the burden of the people nearly to the extent of the tariff. . . . The duty became a tax which increased the cost of not only imported but domestic sugar to the consumer to that extent. The duty collected on sugar and molasses the last fiscal year was \$55,975,610, or nearly 2 cents per pound. Adding to this the increased cost of the 275,000,000 pounds of sugar produced in this country, equivalent to the duty of 2 cents per pound, and the duty imposed on these articles was practically a tax of about \$63,500,000, or \$1 per head, on the people of this country. . . . The transfer of sugar and molasses to the free list will afford conspicuous relief to the people of this country.

The following were the remarks of Mr. PAYNE of New York:

It appears last year we imported sugar and molasses to the amount of 2,700,547,667 pounds, on which, including molasses, we paid duties amounting to \$55,975,984.52.

Now, in this instance the tariff was a tax and was added to the price which the consumer paid for the imported sugar. There is no mistake about that. No Republican has ever denied that. . . . We take off a dollar on the annual cost of sugar to every inhabitant of the United States. What do you say to that? Why, it helps the farmer, it helps the laboring man, it helps the poor man, to give them this prime article of food at a lower price, and with the competition that comes from Germany and France, from Cuba, and from all quarters of the earth, I have no doubt that when this law goes into effect every man can buy his sugar at 2 cents a pound less than under the present tariff.

These gentlemen, who are the acknowledged leaders on protective tariff, said that the duty then imposed on sugar was a burdensome tax, and to transfer sugar and molasses to the free list would give conspicuous relief to the people. Now, with increased rates of duty, they propose to put these articles back on the dutiable list. Will not that be imposing a conspicuous burden on the people? And if to take off the tax was to cheapen sugar 2 cents per pound, to put it back now would certainly increase the price 2 cents per pound or more.

#### TARIFF NOT THE CAUSE OF DEPRESSION.

Neither high nor low tariff are altogether responsible for the existing depression. For the last few years, at least, in Europe as well as America, industrial conditions have been similar. In Germany and Russia, where protective duties are highest, and in free-trade England the vast majority of the population are in distress and despair, which is conclusive evidence that the same cause operates everywhere to produce the same effect, namely, a money famine. This causes a shrinkage in the value of all forms of property and a corresponding increase in the value of money. Our constituents need more money with which to buy goods before they are forced to pay higher prices for them. If any proposition in economics is unassailable, it is that the quantity of money in circulation determines the price of commodities, supply and demand being normal. Increase the volume of money in circulation, and prices rise; diminish it, and they fall.

#### COMMERCE.

In 1861 American vessels carried 70 per cent of our exports, while to-day they carry about 13 per cent. Under the Walker

tariff, from 1846 to 1861, the tonnage of our shipping engaged in foreign trade increased almost 300 per cent, and from 1861 to 1893, under tariff laws, we have less than a million tons engaged in foreign trade, showing a loss of two-thirds of our foreign tonnage. I need not say that the navigation of the country is essential to its honor and its defense. Yet, instead of proposing benefits for it in this hour of its depression, we threaten, by this measure, to lay upon it new and heavy burdens.

#### DEMOCRATS CHARGED WITH DEFICITS IN THE TREASURY.

The Democratic Administration is charged with the deficit in the Treasury. There never was any deficit under President Cleveland's first Administration. On the contrary, a large surplus was created. The deficiencies began under President Harrison, after the passage of the McKinley bill, as the following table will show:

Table showing the receipts, expenditures, and deficiencies during fifteen months of President Harrison's Administration, and during a period when the McKinley bill was in full operation.

Month of—	Receipts.	Expenditures.	Deficiencies.
November, 1890.....	\$28,678,674.71	\$42,570,022.40	\$13,891,347.69
February, 1891.....	29,273,173.02	29,725,099.80	451,926.84
March, 1891.....	29,027,455.46	29,062,737.10	35,281.64
May, 1891.....	27,289,365.94	27,680,236.65	400,870.71
October, 1891.....	28,448,562.21	30,660,810.52	2,212,248.31
December, 1891.....	37,646,515.73	30,434,727.67	7,211,788.06
January, 1892.....	30,383,478.60	34,175,350.10	3,791,871.50
April, 1892.....	25,971,224.04	30,050,631.97	3,088,407.93
May, 1892.....	28,228,308.45	31,732,793.80	3,504,485.35
July, 1892.....	34,314,331.25	37,249,407.04	2,935,075.79
October, 1892.....	31,839,138.21	31,891,250.18	51,111.97
November, 1892.....	28,739,835.38	29,640,778.28	910,942.90
December, 1892.....	33,006,963.60	33,459,909.59	452,945.99
January, 1893.....	35,003,052.31	38,351,432.18	3,348,379.87
February, 1893.....	29,698,142.23	30,866,273.00	1,168,130.77

The Republicans during the first Congress under President Harrison made an increase of annual charges upon the Government of more than fifty millions. They depleted the Treasury, and when they saw deficiencies staring them in the face, they ordered the preparation of plates upon which to print bonds. The deficit reported in President McKinley's message of \$69,803,260 on June 30, 1894, was incurred while his tariff bill was in force. The revenues from the Wilson law, under normal conditions, would be ample to run the Government, economically administered. The appropriations of the last Congress were increased fifty millions. The great panic which began in 1893 greatly reduced the revenues of the Government.

The receipts now, however, under this law, are increasing daily, as the following table will show, and no doubt would be ample for all necessary purposes:

#### Excess of receipts over expenditures.

March 6, 1897.....	\$288,686.78	March 19, 1897.....	\$98,671.01
March 8, 1897.....	26,863.00	March 20, 1897.....	74,029.48
March 12, 1897.....	427,363.49	March 22, 1897.....	\$33,015.31
March 13, 1897.....	283,674.65	March 23, 1897.....	53,643.95
March 15, 1897.....	919,755.50	March 24, 1897.....	90,487.87
March 16, 1897.....	2,383,886.87	March 25, 1897.....	691,065.32
March 17, 1897.....	227,127.24	March 26, 1897.....	144,780.08
March 18, 1897.....	900,340.31		

#### CONCLUSION.

Now, in conclusion, Mr. Chairman, it does seem to me that the pervading topic throughout all this discussion has not been American industries, not American interests, but denunciation of party policies, reflection on the past Administration, and exultation and loud commendation of the Administration now in power. We should rise above party prejudices and party policies in the inauguration of an American policy that will elevate the poor as well as the rich, the weak as well as the strong, giving equal and exact justice to all. Let us guard our sacred institutions from all perversion. The wise and just policy of this country is not only one of economics, but a peaceful one as well.

No nation ever had less to gain from forcible aggrandizement. Our augmentation is by growth, not by acquisition; by internal development, not by external accession. No scheme can be suggested to us so magnificent as the prospects which the sober contemplation of our own condition, unaided by projects, uninfluenced by ambition, spreads before us.

A country of such vast extent, with such varieties of soil and climate, with so much public spirit and private enterprise, with the population increasing rapidly, with capacities for improvement inexhaustible, needs but wise and just laws, time and peace to make it beyond controversy the greatest nation on earth.

Human liberty may yet be obliged to repose its principal hopes on the intelligence, virtue, and vigor of this nation, when the beacon fires of our free institutions and religious liberty that we have kindled will everywhere light up the continents of the earth and the islands of the sea, and shall diffuse their rich and mingled radiance over the vast map of the nation. [Great applause.]

Asphaltum Mines of the Uncompahgre Reservation—Shall  
We Depart from a General Policy?

SPEECH

OF

HON. JOHN F. SHAFROTH,

OF COLORADO,

IN THE HOUSE OF REPRESENTATIVES,

Friday, April 23, 1897.

The House being in Committee of the Whole House on the state of the Union, and having under consideration the Indian appropriation bill—

Mr. SHAFROTH said:

Mr. CHAIRMAN: There is a phase of this question which apparently looks to the financial interest of the nation, and yet beyond the surface there is a far greater interest involved, one that may affect the policy of the nation as to the development of its mineral resources. The leasing of the asphaltum mines in the Uncompahgre Reservation might produce a little revenue to the Government, but it would establish a precedent diametrically opposed to the general mining laws, which have produced such marvelous results in the addition of wealth to the nation.

I do not know whether there is a company or an individual after these asphaltum or gilsonite properties, and I do not care. I have never talked with any of the parties; I have never known any of the parties. The Representative who is influenced in behalf of a corporation that might acquire some of these mines by the opening of the reservation ought to be ashamed of his vote, and is unworthy of the position he holds. It is sufficient for me to know that the proposed amendment to lease these gilsonite mines is an encroachment upon the general mining laws under which all the Rocky Mountain States have been developed. It is therefore upon grounds of public policy that we oppose this amendment.

The Uncompahgre Reservation in Utah was set aside by Executive proclamation on January 5, 1882, as a temporary resting place for the Uncompahgre Ute Indians until agricultural and grazing lands were allotted to them in severalty. These Indians had sold their lands in Colorado for the sum of \$1,750,000, and the Treasury now holds that sum in trust for their benefit, paying them annually interest upon the same. Each Indian is allowed to select 160 acres of agricultural land and a like amount of grazing land upon paying to the Government \$1.25 per acre out of said trust fund. The act of June 15, 1880, which recites the treaty with these Indians, provides for the appointment of commissioners to make allotment of lands in severalty to them.

On August 15, 1894, another act of Congress authorized the appointment of another commissioner to allot lands in severalty to these Indians, and further provided that the remainder of the land in the Uncompahgre Reservation should immediately after the allotment be open to entry under the mineral and homestead laws of the United States. Notwithstanding the fact that it has been the duty of the Government ever since the treaty to allot lands to these Indians, not one acre of land has yet been allotted.

It is conceded by all that only 10,000 acres out of the 2,000,000 acres contained in the reservation are fit for agricultural purposes, when there are 956 Uncompahgre Ute Indians, composing about 300 families. The agricultural land in this reservation is not worth \$1.25 per acre, and for that reason the Indians do not select it. Thus by proclamation of the President 2,000,000 acres of land have been withdrawn for fifteen years from mineral entry in order to make allotment of agricultural lands to the Indians, when only one-half of 1 per cent of it is fit for that purpose, and it is not likely that even a part of that will ever be taken.

Is it right that the Government should segregate this land from the public domain and declare to a State, whose prosperity in a great measure depends upon the development of the same, that no miner shall be permitted to go thereon and develop its resources?

I submit, gentleman, that there is not a man on the floor of this House who would like to see the Government cut out of his State 2,000,000 acres and prohibit a white man from setting foot thereon. When it strikes home, everyone can see the injustice of it. If it is not right as to each one of your States, how can it be as to a new State, whose future is dependent upon the uncovering of its mineral wealth?

Mr. Chairman, we people of the West feel deeply interested in this matter, because we see that the proposition to lease or sell asphaltum mines in this reservation is an encroachment on what we have thought were our rights, an encroachment upon what we have thought was the policy firmly established by this Government as to its mineral lands.

Why, Mr. Chairman, is it right that Utah should have 2,000,000 acres set aside from public entry, while we in Colorado have the right to explore our lands, to locate under the general laws asphaltum mines, or any other mines that may exist in its borders?

The United States years ago established the present policy as to

its mineral lands. The enormous development of the mining States has demonstrated the wisdom of that policy. You must stick to that policy in dealing with the lands of each State, if you want to be fair to all the States. When you indorse the position that the President can withdraw from public entry 2,000,000 acres of land in Utah which is not suited for the purpose authorizing such withdrawal, and after the existence of the wrong for fifteen years, have it restored to the public domain under a law providing for a system of leases or sales of its mineral lands, you are working a wrong not only to one State, but to a good many States.

Mr. Chairman, on the 22d of February last President Cleveland set aside 21,000,000 acres of land, so that the miner can not go thereon to explore, the homesteader can not go thereon to locate his homestead. Twenty-one million acres of land, by one stroke of his pen, withdrawn from sale and settlement. Other large quantities of land in the West have been set aside by the previous proclamations of Presidents. What does it mean, Mr. Chairman?

It means that if this policy of making the miner pay a royalty for working these asphaltum mines prevails, you will have the same policy pursued as to gold, silver, copper, and lead mines which may be found on all these reservations that have been set aside by Executive orders. It means, Mr. Chairman, the dwarfing of the development of all the Western States. It means that the President may withdraw from settlement, from prospecting, from development, other large quantities of land covering the greater part of the territory in our respective States. It means, if carried to its logical result, that the industries of the Western States shall be made, by a system of royalties, to pay an undue proportion of the expenses of the Government. I submit, gentlemen, it is not right. If such a quantity of land were set aside in your districts, you would be raising heaven and earth to have it restored to public entry.

But, Mr. Chairman, I want to examine some of the arguments made on the other side, outside of the question of the general policy of the Government. I want to see if those arguments are sound. I want to see whether the declarations as to the richness of these mines can be established.

Any man who understands mining, any man who understands how risky and often disappointing it is, must know that it is absolutely absurd to talk in the manner that some gentlemen have talked concerning the richness of these asphaltum mines.

Why, Mr. Chairman, the gentleman from Alabama [Mr. UNDERWOOD] stated here yesterday that the profits which would accrue to the individuals locating upon these lands by reason of opening the same to public entry would be \$230,000,000. Upon what did he predicate that statement? He took the report made by an officer of the Geological Survey. I have examined that report. I have been to the Bureau to find upon what facts it was made, and I have found that it was merely an estimate. They told me that they did not sink a single shaft, they did not bore a single hole, for the purpose of determining the extent of these deposits.

One man was sent out there, and he made a general examination. He saw the outcroppings, just as we see outcroppings of most gold and silver mines. If you did not have surface indications, you would not likely find any mine in the world. Digging a hole in the ground irrespective of the place where you dig it would be of no value in the discovery of mines. You have surface indications as to an asphaltum vein, just as you have surface indications of a gold lode or a silver lode.

The CHAIRMAN. The time of the gentleman from Colorado [Mr. SHAFROTH] has expired.

Mr. KING. I ask unanimous consent that the time of the gentleman be extended ten minutes.

There was no objection.

Mr. SHAFROTH. Now, Mr. Chairman, what do we find?

Mr. LACEY. I will ask the gentleman to yield to me for a moment, so that I can offer a substitute. I should like to hear the remarks of the gentleman on this substitute, and to give him an opportunity to know what the proposition is.

Mr. SHAFROTH. I shall be glad to do that.

Mr. LACEY. I offer the following substitute for the motion already made.

The CHAIRMAN. The Clerk will report.

The Clerk read as follows:

The Committee of the Whole recommend that the House nonconcur in the Senate amendment, and the conference committee is instructed to insist upon a provision for leasing the gilsonite mineral lands with such limitations and restrictions as will prevent the control of the said mineral by combinations of any kind, such leases to be for limited amounts and for limited terms.

Mr. MAGUIRE. Limited "periods," I think, would be better than "terms."

Mr. SHAFROTH. Mr. Chairman, I will come to that proposition in a few minutes. I want to take up the question of the value of these asphaltum mines at the present time. I claim, Mr. Chairman, that the report made by Mr. Eldridge, of the Geological Survey, is a general report, made from only a casual examination.



An officer of the Department told me this morning that it was not made in their regular work. Mr. Cleveland refused to sign a certain proclamation opening these lands to entry under the act of August 15, 1894, on the ground that the Government should receive a revenue from these mines, and he wanted a report upon the same. Secretary Smith thereupon requested that some one be sent immediately to make an examination, and Mr. Eldridge was appointed for that purpose. I therefore submit that this report, which involves an estimate made under these circumstances, where the employee knows that the person who appoints him has a certain theory concerning the matter, can not be a safe report.

I do not care how honest the man was, his mind must have been influenced by the position the President had taken. In examining this matter, I find that this report goes upon the theory that these veins are of certain widths and extend 1,000 feet in depth. Now, how does he know that? Nobody has ever dug down there. No one has ever determined how deep they are. He has not sunk a shaft even 10 feet in depth on any of them. How does he know the character of the asphalt at the various depths? We know in gold and silver mining that at a certain level you will get one grade of ore, and at certain other depths you will get ores of different grades. The result in asphaltum mining must be the same. If it is rich on top, it may be that it is poorer as it descends. The report estimates that the mines will produce 23,000,000 tons of asphaltum, and that it will all be of marketable value.

We know that in fissure veins the deposits often pinch out, and there is no reason to believe that these deposits are an exception. It seems to me that he would be an unsafe person who would be willing to predict that these estimates would be borne out, and anyone who would so predict would be a very unsafe adviser.

Mr. Chairman, we find that these deposits have been discovered for about ten years. I had a little practical experience concerning asphalt found in the western part of Colorado. I had the good fortune at one time to be the city attorney of the city of Denver. We wanted to pave some of the streets of that city, and as I was the legal adviser of the board of public works, it became my duty to investigate the subject. We called for bids for paving a certain section of the city. Bids were given by the Barber Asphalt Company. A home company had been incorporated, claiming to have mines in western Colorado and eastern Utah, and it expected to drive the Barber Asphalt Company out of existence. They showed samples that were beautiful; to my mind far prettier than those exhibited by the Barber Asphalt Company. They offered to give bond for the faithful performance of the contract, and in every manner showed good faith; they believed their asphaltum was excellent.

You know, gentlemen, the report of the Geological Survey states that some of these asphaltum veins extend into the State of Colorado for several miles. This report estimates that there are 880,000 tons of gilsonite in that part of the Bonanza vein which lies in the State of Colorado. The gentlemen in this home company thought they had a great investment. They made a lower bid than the Barber Asphalt Company, but we thought it was unsafe to enter into a contract with them. They were willing to give bond, but if there was a liability upon the bond it meant delay. The "law's delay" exists at this time, as in the time of Shakespeare.

The board of public works concluded to refuse to accept their bid unless they would lay some asphalt paving in the city of Denver for the purpose of testing whether that asphalt was of good quality. We selected the street in front of the city hall, and they laid a beautiful piece of asphalt paving. The Barber Asphalt Company never laid any superior in appearance. For the first two weeks they took almost every prominent man in Denver there to show what a bonanza they had; but at the end of three months three-fourths of that asphalt had worn down to the concrete.

It would not stand wear, and when the time for the letting of the bids came, they did not even ask for the contract. The idea that something inaccessible is very great and rich does not always prove to be correct. Mr. Chairman, we are always going beyond the reality; we are always thinking that something we can not reach is much better than what we have. It is still true that distance lends enchantment to the view.

Mr. GAINES. Am I correct in understanding the gentleman to intimate that the asphaltum in these lands is of the same character as the asphaltum that he has been talking about?

Mr. SHAFROTH. Of the same character.

Mr. GAINES. Then why is there such a scramble to get hold of it?

Mr. SHAFROTH. I do not know. I feel satisfied that it is not useful for paving purposes, unless some method of mixing it with other substances may be discovered which will make it valuable. I know that the Barber Asphalt Company sent out agents to investigate lands of that kind, and their representative told me that they found the asphaltum was of no value for their purposes. There may be other uses to which it can be put, as ingredients in the manufacture of varnish and paints, but for paving purposes it is not valuable and not of the rich quality as that

found in Lake Trinidad. But, Mr. Chairman, I hope these mines are rich. We want all the deposits of this country to be rich, because just in proportion as the resources of any portion of the country are found to be valuable will an addition be made to the wealth of the country and to the happiness of our people and of all mankind.

Mr. LINNEY. Will the gentleman permit a question?

Mr. SHAFROTH. Yes, sir.

Mr. LINNEY. Would not one of the best ways of determining the actual value of this mineral deposit be to lease the lands for some time?

Mr. SHAFROTH. I will come to that in a minute. Now, Mr. Chairman, the proposition is made that we should lease these lands, and the gentleman from Alabama [Mr. UNDERWOOD] has suggested that we sell them at auction. What does that mean? If this were a case where the value of the property could be easily ascertained, there might be something in that idea, but before a man buys anything he wants to know what he is going to buy.

A man will not buy a hole in the ground. A man in mining never gives anything for a mere prospect. It has got to be developed. Now, what does the development of a mine mean? I can illustrate it by the mines at Cripple Creek in my State. In order to make sales of those mines, what do they do? They sink a shaft a thousand feet in depth on the vein. They take at each foot of that shaft the mill run of the ore. At each hundred feet they make a level—that is, a tunnel—running the length of the vein. They ascertain the mill return upon the ore taken from each of those levels.

From such data you can ascertain approximately the value of a mine. You can calculate the quantity of ore between the first and second levels, you know the mill run, and can thus find the value of that body of ore. You get similar figures for the ore between the next levels, and so on, and in that way you can ascertain with reasonable certainty the value of the mine; but even then you can not sell it for anything like what it figures up. The man who buys it expects to make a good profit or else he will not buy. The result is that it takes thousands and thousands of dollars to put a mine in condition for sale.

So it must be with these asphaltum veins. First, you would have to sink shafts at least a thousand feet in depth; you would have to run levels that would require the expenditure of a very large sum of money; you would have to develop your asphaltum mines before you could put them on the market for sale. If you did not, they would bring nothing. Does the United States want to make such large expenditures? Does it want to go into the mining business?

[Here the hammer fell.]

By unanimous consent, the time of Mr. SHAFROTH was extended for five minutes.

Mr. SHAFROTH. Now, Mr. Chairman, as to the leasing proposition, what does a lease mean? It means a partnership upon the part of the Government to conduct a purely private business for profit. A lease in such a case as this is bound to create a monopoly. Why? The Government invites proposals to lease this land. What does that mean? In the first place, it means the expenditure of money to develop the mine. In the next place, it means the building of a railroad, and the construction of a railroad in the heart of the Rocky Mountains is not a small matter. It will cost a great deal of money. It means an expenditure of millions of dollars. Who is going to undertake that expenditure if the Government reserves the right to lease other parts of the same veins to others?

Under such conditions who is going to build the railroad? These mines are worth nothing without a railroad to take the product to market. If you are going to lease these lands, that evidently means that only one proposition from the various bidders will be presented, and it will be something like this: "We will lease all of these lands if you will let them all to us, but we will not accept a lease of a part only. We will not go to the expense of laying out millions of dollars in the construction of a railroad and in developing these mines unless we are sure of getting the benefit of our expenditures, unless we are sure that the Government will not undertake to lease other parts of the land near by and give others the benefit of our improvements."

The leasing proposition, therefore, if carried out, would simply mean that one corporation would control these deposits. Now, what does that mean? Gentlemen say it means that the Government will get some revenue. That is true; but what else does it mean? It means that that one corporation can fix the price of this article at whatever it desires, so that where the Government gets 1, 2, 3, or 4 per cent out of it as royalty the people who want to use this product will have to pay a hundred per cent profit upon it. That affects not only the people of Utah but the people of the city of Washington and of every other place that may require the use of this kind of material.

Now, we are acting here as trustees for the entire people, and I submit that any general policy that we adopt ought to be one that will benefit all the people. I know that the policy which we

have pursued heretofore in dealing with our mining lands has brought immeasurable advantages to the people of the United States. I know that policy has produced great development and wealth in the wilderness of the West, and one of these days, by pursuing that course, you will have in the Rocky Mountain region, in wealth and population, empires among the States.

I know, too, that it is not everyone who takes the pick and goes out prospecting who finds a paying mine. I know that thousands and thousands of dollars have been lost, and, in the long run, I believe it to be the fact that as much money has been expended in mining as is taken out in the form of the precious metals.

Mr. COOPER of Wisconsin. One question, if the gentleman pleases. He is trying to establish, as I understand, an analogy between gilsonite mines and gold mines?

Mr. SHAFROTH. Yes, sir.

Mr. COOPER of Wisconsin. Now, will he permit me to ask him this question: Suppose there were only one paying gold mine in the United States, or only one piece of land where gold could be found in paying quantities, would the gentleman be in favor of turning that property over to a corporation at \$5 an acre? Would he, in other words, be in favor of making it possible for any one individual or one corporation to monopolize the production of gold in the United States?

Mr. SHAFROTH. No, sir. But that is not the question here. There are a great many of these mines—

Mr. COOPER of Wisconsin. Is it not a fact that the only place where gilsonite is accessible in paying quantities to-day is on this particular reservation?

Mr. SHAFROTH. No, sir; such deposits are found in California—

Mr. COOPER of Wisconsin. Not to amount to anything.

Mr. SHAFROTH. Not only that; but this very geological report of which the gentleman has made so much capital shows that there is a vein extending into the State of Colorado the deposits of which amount to as much as 880,000 tons. Yet have we heard of anybody getting rich off of that property? Why, sir, there is enough asphaltum there to pave the streets of all the cities west of the Missouri River for twenty years. Yet have we heard of anybody making any money out of it? When have we heard of the shipment of one dollar's worth of this mineral from those mines?

Mr. BARLOW. Did not the gentleman say that the deposits there had been tested and found not to be worth anything?

Mr. SHAFROTH. I think so; I do not think they are worth anything for paving purposes, yet they are of the same character as these deposits now under discussion. The theory put forth here that these mines are extremely rich and valuable will not bear the test of reason. But even if they were, the vast quantity of asphaltum that exists there would, upon opening the lands to location under the mineral-land laws, prevent high prices, produce low prices, and thus benefit the entire people of the United States.

Mr. Chairman, this Government has never attempted to make a profit out of the public domain. The acquisition of territory has always been for the sole purpose of political jurisdiction, for political power—the wise policy of all governments. It is the allegiance of the people who inhabit and build up the territory that has made us such a great and powerful nation. Let us not depart from that policy.

#### The Dingley Tariff Bill.

#### SPEECH

OF

HON. WILLIAM SULZER,

OF NEW YORK,

IN THE HOUSE OF REPRESENTATIVES,

Wednesday, March 31, 1897.

On the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. SULZER said:

Mr. CHAIRMAN: In the brief time allotted to me it will be impossible for me to discuss this bill in detail.

One remark of the gentleman from New York [Mr. RAY] amused me, and I can not let the opportunity pass without making a brief reply thereto. He read extensively from the report of the investigating committee on the Homestead strike, at the Carnegie Iron and Steel Works, in Pittsburgh, Pa. We all know that strike occurred at a time when protection, as understood by the Republican party, was in full force and effect; at a time when the McKinley law was in full operation. The law did not increase wages or give additional opportunities to labor. It did just the reverse. Under it the greatest strikes ever known in the country occurred, and there were more lockouts and more labor disturbances in all parts of the land during the time it was in operation

than at any other time in the history of the country. The McKinley law, however, was not altogether a failure. It was entitled "A bill to decrease revenue." It was intended to wipe out the surplus, and it did. That far it was a success.

This bill is entitled "A bill to provide revenue and encourage industries," and if it becomes a law, is destined in my judgment to be a worse failure than the McKinley law. It is not what it purports to be on its face. I can not see how it will encourage industries, increase wages, protect the laboring man, help the toiler and the wage earner, benefit the farmer, or bring additional revenue to the Treasury. I can see, though, how it will decrease revenue, stagnate business, imperil labor, and bring about the same condition or a worse condition of affairs than the McKinley law did. If so, we will soon be much worse off than we are now and on the bond-issuing basis again, helping the bankers and the syndicates by issuing bonds for gold in time of peace.

This bill will not increase the demand or the price for the products of the farmer or the pay of the mechanics, the artisans, or the toilers of the country. It will not make times better or more prosperous. It is not a bill in the interest of all the people. It is a bill in the interest of the few. It is a bill purely and simply in the interest of the trusts, the monopolies, and the syndicates. By a system of taxation it takes from the poor and gives to the rich. It is legalized robbery. It adds additional burdens upon the masses and lends additional advantages and facilities to the classes. It steals from the many for the few, and does it by operation of law. It is the most unfair, the most unjust, and the most iniquitous tariff bill ever introduced in Congress. It is protection run mad. It has very little to commend it when the gentleman from New York [Mr. RAY] is compelled to go back to the Homestead strike in order to justify it. That great strike occurred, as you all know, in one of the greatest protected industries of the country. The men at the head of it were making millions, and the men who did all the work and produced all the product were becoming poorer and poorer each month and each year. The few doing nothing and getting all, the many doing all and getting nothing.

No measure which is a protection measure, for protection and protection only, will help the artisan, the mechanic, and the wage earner of the country. If the gentleman from New York [Mr. RAY] is so solicitous about the Carnegie Steel Works, why does he not, and why does not the majority here, consent to permit the minority leader on the floor of this House to offer, as he desires, an amendment in regard to the so-called steel trust? Let us take a vote on that and on the sugar-trust schedule, and have the record made up for all time to come.

This bill has been hastily prepared by the Committee on Ways and Means. An extraordinary session of Congress has been convened to consider it and pass it. It is to be rushed through as a panacea for all our ills.

Here in the House no opportunity is permitted members to offer amendments to the bill or endeavor to perfect it, except by members of the Ways and Means Committee. The bill, take it all in all, is in its present shape very crude and full of imperfections, inequalities, and inconsistencies.

There is not in the bill, from one end of it to the other, a single line or a single paragraph for the benefit of organized labor or for the protection of the working people of the country. Everything is protected but labor. Labor comes in free. The labor here must compete with the labor of all the world.

Everything in this bill, from the beginning to the end, is in favor of the manufacturers, the monopolies, the trusts, and the syndicates—those gigantic combinations which contributed the large sums of money to the Republican campaign fund in the last election to defeat the will of the people.

There is no doubt those vast contributions were made with an understanding, expressed or implied, that the contributors, in case of Republican success, were to be paid by special legislation in their interest and special favoritism in their behalf. To-day you are simply carrying out that understanding. To-day they and their beneficiaries are seeking their reward.

I believe this bill is one of the most iniquitous measures for the purpose of raising taxes by increasing the burdens of the people that has ever been introduced in the Congress of the United States. It is the worst piece of class legislation in all our history.

It violates every principle of democracy. It violates that cardinal principle of Jefferson—"Equal rights to all, special privileges to none." It burdens beyond the calculations of the human intellect the struggling people of our country in order to enrich and make more prosperous the few. It takes from those least able to pay and gives to those most able to pay. It is for the rich and against the poor; for the few, against the many.

We know to-day, beyond all contention, that the tariff is a tax, and beyond all dispute that the consumer pays the taxes. Ultimately nearly all the burdens of taxation in this bill must fall upon the yeomanry of the country.

By this system of indirect taxes this bill robs democracy and enriches plutocracy. No party that stands for the people can support it. The party that does support it must fall.



This tariff bill is worse than the war-tariff bill, worse than the McKinley bill, and in all respects is the most outrageous tariff measure ever fathered by the Republican party. It fosters every trust and monopoly and saddles the great burdens of government on the farmer, on the toiler, and on the wage earner of the country. If it should become a law in its present shape, its authors will rue it.

It is not a revenue measure at all. On the contrary, many people think, and justly so, in my judgment, that it will not raise as much revenue as the present law. Carry protection, as understood by the gentlemen on the other side, to its logical sequence, and it would mean prohibition. A Chinese wall of protection would be built around the country against the goods of other countries. There would be no imports, and hence there would be nothing to tax and no revenue derived from importations.

The protection policy of the Republican party is absurd and ridiculous.

The Democratic party stands for a fair, just, and equitable revenue system, a tariff for revenue that will support the Government, economically administered, with equal justice to all and favoritism to none, having a jealous care for our farmers and toilers.

The Democratic party does not believe in free trade any more than it believes in protection for the sake of protection. Free trade is a fallacy. Free trade is a heresy. Free trade is a scarecrow—a bugaboo. Free trade at the present time and for generations to come in this country is an absolute impossibility. There is not a civilized country in the world to-day that is a free-trade country. All the nations of the earth raise most of their revenue from a tax on imports. We must do the same, but we do not believe in taxing the necessities of life and exempting the luxuries of life. On the contrary, those articles the least needed by all the people should pay the highest tax, and those most needed by all the people should pay the least tax.

All raw material essential to our industries and manufactures should be admitted free in order that this country can compete in manufactures with all the world. The more free raw material, the more will be imported; the more that is imported, the more will be manufactured; the more manufactured, the more factories, the more mills, and the more industries will spring into existence; the more factories, mills, and industries we have, the more men will be employed; the more men employed, the more wages will be paid; and the more wages paid, the happier the home and the freer the people; and the happier they are, the more contented and the more prosperous the family and the little children, and the better for all the people. This, in my judgment, is the true theory for this country to pursue and the right policy to follow.

Protection has nothing to do with the price of labor. Capital buys labor as cheaply as it can. Wages are regulated by the inexorable law of supply and demand. Whenever you find two employers looking for one workman wages will be high, and whenever you find two workmen looking for one employer wages will be low. When the demand is greater than the supply wages go up, and when the supply is greater than the demand wages go down. Tariffs, taxes, and import duties have nothing to do with it. In all prosperous communities labor is sought for, not turned aside.

I do not believe in free trade any more than I believe in protection for the sake of protecting the few as against the many. "Equal rights to all, special privileges to none," should be the cornerstone of every revenue measure. As Daniel Webster once said, "The authority of Congress to exercise the revenue power with direct reference to protecting manufacturers is a questionable authority." At all events, it is an unfair and an unjust policy.

We should legislate for the best interests of the whole country, and not for the interests of any one section of the country, or for the advantage of the trusts, the monopolies, the syndicates, and the manufacturers.

It can not be successfully denied that this bill is unfair and unjust to the masses. It can not be honestly controverted that it is full of inequalities and full of inconsistencies. The people will soon know it is the most partial tax measure the House of Representatives has ever been called upon to consider—the culminating atrocity of class legislation by the Republican party.

You say on the other side that this is a measure to increase the revenue. In other words, a measure to increase the taxes of the people. If I understand aright the temper of the American people to-day, it is not a question of more taxes, but a question of more money with which to pay taxes. The tariff will not restore good times or hasten prosperity. More money will.

Our volume of currency has been contracted, while our population has increased. Under the gold standard money is getting dearer and scarcer, men and property poorer and cheaper. To-day the money of the people is not one-half per capita what it was a generation ago. We should increase the volume of our currency by restoring bimetalism in order that the people may have more opportunities to earn money.

The people to-day do not ask for more protection, but they do

ask for the restoration of the money of the Constitution, the free and unlimited coinage of gold and silver, as intended by the fathers of the Constitution.

National bimetalism is the question of the hour, not taxation. The Republican party must meet this issue. It can not be ignored. It can not be shifted or side tracked. It can never be settled until it is tried.

According to this morning's report of the Secretary of the Treasury, we have lying idle in the vaults of the Treasury Department over \$220,000,000 in excess of the \$100,000,000 of gold to keep up the gold reserve. According to the amount of revenue derived from the present law and this large and growing surplus, no legislation to increase the taxes of the people will be necessary for several years to come, and perhaps not at all. If there is any injustice or any inequalities in the present law, it can be amended, but a general revision of the whole tariff law at this time is inopportune and will have just the opposite effect on the country of what the President and you imagine.

This monkeying with the tariff is to be deprecated at this time. It throws doubt and uncertainty over the business of the whole country. It halts progress, and lays a restraining hand on labor and forces it to remain idle and at a standstill. It paralyzes every industry and jeopardizes all our commerce. It shuts out of employment thousands and thousands of working people, increases distress, woe, misery and want, and poverty stalks the land.

Your boasted prosperity is not forthcoming. Times are getting worse, not better.

We are to take a vote upon this bill to-day. I repeat, the bill has not been properly considered. During the limited time for debate allowed in the House only one-tenth of the bill has been considered. The bill contains about 163 pages. Thus far we have only debated and considered about 14 or 15 pages. In an hour or two the previous question will be ordered, debate will be cut off, and the vote on the bill will be ordered. Undoubtedly it is the intention of the majority to pass it. In its present shape and present condition, how can you honestly and consistently vote for it. No doubt, however, but that it will pass. It is the order of the President, the decree of the committee, and the majority will humbly submit and vote for it. But I desire to ask gentlemen upon the floor of this House, excepting, perhaps, members of the committee, how they can intelligently vote for the bill? Why all the hurry? Why all the haste? "Better be slow than be sorry."

You know it is a very imperfect bill; you know it is a hastily prepared bill. You know it has not been considered or debated section by section or schedule by schedule. There are many schedules in the bill which few members understand or can comprehend. Even the members on the other side are not a unit in regard to it. Already you have disagreed regarding several schedules. Already thousands and thousands of protests are being received and filed against this monstrosity of tariff manipulation.

Under all of these circumstances, and many more that I could set forth if I had the time, it is impossible for me to cast my vote in favor of this bill. Pass it, and you will regret it. Pass it, and the day of reckoning is not far distant. Pass it, and you will soon realize your mistake. Pass it, and you will soon hear from the people. You are sowing the wind and will reap the whirlwind. [Applause on the Democratic side.]

#### Approval of the Journal.

#### SPEECH

OF

HON. JOSEPH WHEELER,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, May 13, 1897.

The House having under consideration the approval of the Journal of the proceedings of Monday, May 10—

Mr. WHEELER of Alabama said:

Mr. SPEAKER: I rose with the intention, in the most respectful manner, of very briefly submitting some remarks as to the constitutionality of the resolution the House adopted last Thursday, to adjourn from Thursday until Monday, from Monday until Thursday, and so on, until further order.

LIMIT OF POWER OF LESS THAN A QUORUM.

Section 5, Article I, of the Constitution reads:

Each House shall be the judge of the elections, returns, and qualifications of its own members, and a majority of each shall constitute a quorum to do business; but a smaller number may adjourn from day to day, and may be authorized to compel the attendance of absent members in such manner and under such penalties as each House may provide.

I ask the special attention of the House to the expression:

But a smaller number may adjourn from day to day, and may be authorized to compel the attendance of absent members.

And I respectfully submit that these words define and limit the power granted by the Constitution to a less number than a quorum of either House of Congress. When less than a quorum of this House is present, it is not a House of Congress, and when less than a quorum of the Senate is present, it is not a Senate, and no powers can be exercised by less than a quorum of either House except those which are contained in the words that I have read.

The fourth subdivision of this clause of the Constitution is as follows:

Neither House, during the session of Congress, shall, without the consent of the other, adjourn for more than three days, nor to any other place than that in which the two Houses shall be sitting.

If the resolution—

Mr. DINGLEY rose.

Mr. WHEELER of Alabama. I hope my friend from Maine will allow me to proceed without interruption, at least that he will refrain for the few moments that I shall occupy the floor.

Mr. DINGLEY. Mr. Speaker, I call the gentleman to order. He is not speaking to the question.

Mr. WHEELER of Alabama. I am speaking to the point—

The SPEAKER. The Chair hopes that the gentleman from Alabama will confine himself to the subject under discussion, which is whether the Journal correctly states the proceedings of the House.

Mr. WHEELER of Alabama. As to the point of order by the gentleman from Maine [Mr. DINGLEY], my answer is that if the Journal is in affirmation of anything which is in violation of the Constitution, if it states that action was had by the House which is not authorized by the Constitution, now is the time to make the point, and surely it is—

The SPEAKER. But the Journal is not in affirmation of anything except a truthful statement of the proceedings of the House.

Mr. WHEELER of Alabama. Well, I ask unanimous consent to occupy the floor for five minutes, or for sufficient time to present the question to the House.

The SPEAKER (continuing). The House may have proceeded correctly or incorrectly, constitutionally or unconstitutionally, but the question is, Has the action of the House been properly recorded?

Mr. WHEELER of Alabama. The Speaker will bear me out—

The SPEAKER. If the House should assert that they had not done this, it would not prevent them from having done this.

Mr. WHEELER of Alabama. When they have done a thing which is in violation of the Constitution, it is a nullity and has never been done.

The SPEAKER. Oh!

Mr. GAINES. And Thomas Jefferson was the first man who said that.

Mr. WHEELER of Alabama. And Hon. James G. Blaine, when Speaker, and Hon. Nathaniel P. Banks, after he had been Speaker, both reasserted and reaffirmed this principle of parliamentary law.

I respectfully insist, Mr. Speaker, that the meaning of this clause of the Constitution is that, in order for the House of Representatives to have power to adjourn for more than one day, a quorum of the House, that is, a majority of its members, must be actually present on the day and at the time that the adjournment takes place.

It certainly does not mean that a minority—that is, less than a quorum—can exercise this power, because such a body would not be a House of Congress. I believe this is the first time since the adoption of our Constitution that an attempt has been made by which in an indirect manner a minority, or less than a quorum, has openly assumed to adjourn for more than one day. Whenever the question of the power of the minority has arisen, it has been decided that less than a quorum of the House of Representatives has no power whatever except—

To adjourn from day to day and compel the attendance of absent members.

I have before me several rulings which are in point.

#### RULINGS BY SPEAKERS OF THE HOUSE.

I read from the Journal of the second session Fifty-third Congress, page 211:

In the absence of a quorum, a motion to summon a member to the bar to answer for contempt and violation of rule in refusing to vote was held not in order.

Also in the Journals, first session Twenty-ninth Congress, page 356; second session Twenty-ninth Congress, page 348; second session Thirty-second Congress, page 388; Globe, second session Forty-second Congress, page 3857, it was ruled—

Where less than a quorum is present, a motion to take a recess is not in order; and no motion is in order except for a call or to adjourn.

Journal, second session Fifty-second Congress, page 105, it was held that—

A recess can not be taken, even by unanimous consent, when the record discloses the absence of a quorum.

Rules, page 503, says:

A smaller number than a quorum may adjourn from day to day.

Journal, second session Fifty-third Congress, pages 818, 819, says:

A quorum was held to be required to discharge the Sergeant-at-Arms from further proceeding on a warrant of arrest continued in force after the call of the House had terminated.

Journal, first session Forty-eighth Congress, pages 1385, 1386, says:

When a vote taken by yeas and nays shows that no quorum has voted, it is the duty of the Chair, under the Constitution (Article I, section 5), to take notice of that fact.

Journal, third session Forty-second Congress, page 447, says:

It appearing from the Journal that an order was made when, as appeared from the Journal, less than a quorum was present, such order should be treated as a nullity.

Mr. DINGLEY. I call the gentleman to order. He is not speaking on the question before the House.

The SPEAKER. The gentleman from Alabama will proceed in order.

Mr. WHEELER of Alabama. I respectfully submit, Mr. Speaker, that if the resolution reported by the Committee on Rules and adopted by the House last Thursday was only intended to inform the members that it was the intention on the following Monday to adjourn over until the next succeeding Thursday, such a resolution would not be in violation of the Constitution. Such a resolution would carry with it no intimation that it was intended that the three days' adjournment should be had on the following Monday by less than a quorum. There was a quorum present last Thursday when the resolution was adopted, and the Record shows that leaves of absence had not been granted to an extent which would have reduced the House to less than a quorum.

On the other hand, if it should be admitted that when the House passed the resolution it intended we should meet at the end of three days and then adjourn for three days, even if we were without a quorum, it would be an admission that our purpose was to deliberately violate the Constitution.

It is true it would be an indirect violation of the Constitution, but to do this indirectly is more serious, objectionable, and dangerous than to boldly adopt a direct method.

Mr. DINGLEY. I call the gentleman to order. He is not speaking to the question before the House.

Mr. WHEELER of Alabama (continuing). I have thus far referred to the proper construction of the language of the Constitution as we find it; but if we examine the proceedings of the Constitutional Convention of 1787, we find additional evidence to sustain me in my interpretation.

#### QUESTION OF QUORUM AND ADJOURNMENT IN CONSTITUTIONAL CONVENTION.

Mr. Randolph's rough plan or draft of a constitution which he presented to the convention on May 29, 1787 (Elliott's Debates, pages 127 and 128), did not go into details so far as to refer to the question of quorum or adjournment, but the draft as proposed by Mr. C. Pinckney on the same day (Elliott's Debates, page 130) without any qualifications provided as follows:

In each House a majority shall constitute a quorum to do business.

The same paragraph contained the provision that—

Neither House, without the consent of the other, shall adjourn for more than — days, nor to any place but where they are sitting.

There was, therefore, nothing in this proposed constitution which authorized less than a quorum to do anything whatever.

I find from Elliott's Debates that on June 13 (page 180) Mr. Gorham made a report from the committee of the whole which was in effect a proposed constitution; on June 15 (page 191) Mr. Patterson presented a plan; on June 17 (page 205) Alexander Hamilton also presented a plan, and on June 30 (page 266) Benjamin Franklin made a speech and presented a brief outline, but none of these propositions made any suggestion upon the question of quorum or adjournment. Several committees were also appointed by the convention to consider certain paragraphs of the various plans which were before that body, but the reports of these committees were silent upon these questions.

#### THE COMMITTEE OF DETAIL.

The convention was organized for business by the election of George Washington as president on May 25, but on July 23, after two months' deliberation, no plan having been agreed upon (I read from the journal of the convention, page 199):

It was moved and seconded that the proceedings of the convention for the establishment of a national government, except what respects the supreme executive, be referred to a committee, for the purpose of reporting a constitution conformably to the proceedings aforesaid.

On the 24th the committee was selected by ballot, and consisted of Mr. John Rutledge, of South Carolina; Edmund Randolph, of Virginia; Nathaniel Gorham, of Massachusetts; Oliver Ellsworth, of Connecticut, and James Wilson, of Pennsylvania.

Oliver Ellsworth was afterwards Senator and Chief Justice of the United States and member of the commission appointed by Adams to negotiate with France.

John Rutledge was an associate justice of the Supreme Court and also Chief Justice.

James Wilson became an associate justice of the Supreme Court.



Edmund Randolph became Attorney-General and Secretary of State, and all these gentlemen were members of their respective colonial or State conventions which ratified the Constitution.

This shows the high order of the men who were the real framers of the Constitution. This committee was called the committee of detail.

A series of resolutions which are found on pages 207 to 214, inclusive, of the Journal, which were really propositions for the basis of a constitution, together with the plan for a constitution offered to the convention on May 29 by Mr. C. Pinckney, and that offered by Mr. Patterson on the 15th of June, were referred to the committee of detail.

On August 6 Mr. Rutledge delivered the report of the committee. It is found on pages 215 to 230, inclusive, of the Journal.

Article VI, sections 3 and 8, which are found on pages 218 and 219, are as follows:

SEC. 3. In each House a majority of the members shall constitute a quorum to do business, but a smaller number may adjourn from day to day.

SEC. 8. Neither House, without the consent of the other, shall adjourn for more than three days, nor to any other place than that at which the two Houses are sitting. But this regulation shall not extend to the Senate when it shall exercise the powers mentioned in the — article.

THE CLAUSES WE VIOLATE WERE DELIBERATELY ADOPTED.

It will be observed that the committee of detail had added the words:

But a smaller number may adjourn from day to day.

This was the first proposition of the Constitutional Convention to give less than a quorum any authority whatever.

After some discussion, to which I will refer hereafter, the section was adopted.

On August 10 (Journal, page 242) Mr. Randolph, seconded by Mr. Madison, moved to further amend by adding to the third section of Article VI:

And may be authorized to compel the attendance of absent members in such manner and under such penalties as each House may provide.

That was agreed to by all except Pennsylvania, which was divided.

It is significant that after the most careful deliberation and discussion the only power given to less than a quorum of Congress was to—

Adjourn from day to day, and compel the attendance of absent members in such manner and under such penalties as the House may provide.

Mr. DINGLEY. Mr. Speaker, I must insist upon the point of order.

Mr. WHEELER of Alabama (continuing). Now, in the face of these recorded facts, and in direct and flagrant violation of the deliberately expressed judgment and defined meaning of the framers of the Constitution, an arrogant Republican majority is seeking to trample that sacred instrument to dust, thus establishing a most dangerous precedent.

#### ARTICLES OF CONFEDERATION.

The Articles of the Confederation provided that all important measures should receive the assent of nine States, and it forbade any question, except adjourning from day to day, being determined except by a vote of the majority of the United States.

I will read this clause of the Articles of the Confederation:

The United States, in Congress assembled, shall never engage in war; nor grant letters of marque and reprisal in time of peace; nor enter into any treaties or alliances; nor coin money; nor regulate the value thereof; nor ascertain the sums and expenses necessary for the defense and welfare of the United States, or any of them; nor emit bills; nor borrow money on the credit of the United States; nor appropriate money; nor agree upon the number of vessels of war to be built or purchased, or the number of land or sea forces to be raised; nor appoint a commander-in-chief of the Army or Navy (unless nine States assent to the same); nor shall a question on any other point, except for adjourning from day to day, be determined unless by the votes of a majority of the United States in Congress assembled.

When the Constitutional Convention assembled, but eleven States were present. The first rule adopted was in these words (I read from the Journal, page 62):

A House to do business shall consist of the deputies of not less than seven States; and all questions shall be decided by the greater number of these which shall be fully represented. But a less number than seven may adjourn from day to day.

These facts show that the tendency has been to prohibit less than a quorum of a parliamentary body exercising any other power than to adjourn for a single day. One purpose was to prevent legislation by a few members, and another was to induce or compel their attendance. This was material when the Congress consisted of but one body, but the importance was intensified and such a proviso became imperative when Congress became constituted into two bodies.

The early history of our country shows that one of the great difficulties experienced by the Congress under the Confederation was to secure the presence of a quorum, and therefore it was found to be very difficult to enact laws.

#### ARGUMENTS IN CONVENTION FOR SMALL QUORUM.

Some of the framers of the Constitution sought to lessen or remove this embarrassment by reducing the quorum to less than a majority.

On August 10 the article we are considering was taken up for consideration, and the main contention was that the proposed constitution should provide that "less than a majority of each House should be made a quorum." I read from Elliott's Debates, page 405:

Mr. Gorham contended for a reduction. He said that—

Less than a majority in each House should be made a quorum; otherwise great delay might happen in business, and great inconvenience from the future increase of numbers.

Mr. Mercer also contended for less than a majority. He said:

So great a number will put it in the power of a few, by seceding at a critical moment, to introduce convulsions and endanger the Government. Examples of secession have already happened in some of the States.

He was for leaving it to the legislature to fix the quorum, as in Great Britain, where the requisite number is small, and no inconvenience has been experienced.

Colonel Mason also spoke on this subject, and said:

I admit that inconvenience might spring from the secession of a small number.

Colonel Mason contended, however, that—

It would be dangerous to the distant parts to allow a small number of members of the two Houses to make laws.

In his speech he also said:

If the legislature should be able to reduce the number at all, it might reduce it as low as it pleased, and the United States might be governed by a junta. A majority of the number, which had been agreed on, was so few that he feared it would be made an objection against the plan.

Mr. King also spoke on this subject in favor of a small quorum. He said:

There might be some danger of giving an advantage to the Central States but was of opinion that the public inconvenience, on the other side, was more to be dreaded.

Mr. Gouverneur Morris also took the same view. He moved—

To fix the quorum at 33 members in the House of Representatives and 14 in the Senate.

Mr. Morris also said:

This is a majority of the present number, and will be a bar to the legislature. Fix the number low and they will generally attend, knowing that advantage may be taken of their absence. The secession of a small number ought not to be suffered to break a quorum. Such events in the States may have been of little consequence; in the national councils they may be fatal. Besides other mischiefs, if a few can break up a quorum, they may seize a moment when a particular part of the continent may be in need of immediate aid to extort, by threatening a secession, some unjust and selfish measure.

The question was also very generally discussed by other members of the convention. They all seemed to admit that inconvenience might arise unless a small body was authorized to do business; but finally, after most mature consideration, a majority of all the members of each House was fixed as a quorum, with an addition of a proviso authorizing a minority—

To compel the attendance of absent members in such manner and under such penalties as each House may provide.

I think it is clear that adjournments from Monday to Thursday by less than a quorum is in violation of the Constitution, but I am also prepared to show that the adjournment from Thursday to Monday also infringes the Constitution, because it is an adjournment for more than three days without the consent of the Senate. [Applause.]

I will discuss that subject upon another occasion.

#### Warehouse for Indian Supplies.

#### SPEECH

OF

HON. DAVID H. MERCER,

OF NEBRASKA,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, April 22, 1897.

The House being in Committee of the Whole on the state of the Union and having under consideration amendments of the Senate to the bill (H. R. 15) making appropriation for the current and contingent expenses of the Indian Department—

Mr. MERCER said:

Mr. CHAIRMAN: My motion is to concur in the following Senate amendment:

That the Secretary of the Interior shall, within sixty days after the passage of this act, establish and thereafter maintain at the city of Omaha, in the State of Nebraska, a warehouse for Indian supplies, from which distributions shall be made to such Indian tribes of the West and Northwest as the Secretary of the Interior may direct.

Mr. Chairman, in several Congresses we have more or less referred to this subject-matter. I desire to call the attention of the House to proceedings had in this body in 1894, to some remarks made by the distinguished Representative from Chicago, Mr. ALDRICH, in which he lays down a cardinal principle:

The nearer the base of supplies is to the consumer the cheaper the consumer can obtain his goods. This is a well-recognized axiom among business men, and the first principle of commercial science.

Now, at the outset, I desire to say that this amendment does not imply any infringement upon the rights of Chicago or New York. Those cities are large enough to take care of themselves. But, Mr. Chairman, I am somewhat surprised at the gentleman from New York or the gentleman from Chicago (if the gentleman from Chicago should take that position) charging that this would be an infringement upon the rights of either one of those two great cities.

What do they expect? We of the West, together with the South and the Middle West, gladly rushed to the rescue of Chicago and gave her the World's Fair. Then at New York they had a great naval display. Again, in Chicago they had the greatest telescope in the world, and in New York they had Boss Tweed, and they have now a Republican administration of the city. [Laughter.] In Chicago they have their large packing houses. In New York they have their large warehouses; but, Mr. Chairman, if you will give us a little chance in the city of Omaha we will try to duplicate all those great necessities of human existence. [Laughter.]

A MEMBER. Including Tweed? [Laughter.]

Mr. MERCER. Well, we don't call about Tweed. He is dead. We prefer animation in Omaha. Mr. Chairman, in the State of Nebraska to-day we are supplying more corn than is supplied by any other State in the Union except Iowa. Omaha is the base of supplies for nine-tenths of the Indians in this country, and if you will establish a warehouse there, it will afford a market for the bacon and pork, the cotton and sugar of the Southern States, it will take care of the products of the West and the Middle West, and at the same time it will not interfere one iota with the business of New York or of Chicago. The gentleman representing Chicago to whom I referred awhile ago [Mr. ALDRICH] said on that occasion:

If, for instance, a Chicago manufacturer bids 3.25 cents per pound free on board at Chicago, and the New Yorker bids 3.21 free on board New York, the practice would be to accept the New York bid, although the additional cost for freight to the agency would amount to at least 30 cents per hundred-weight, increasing the net cost of soap—

And remember, Mr. Chairman, that the Indians out West use soap of late years, since they have been educated at Carlisle and other institutions. [Laughter.] I continue the extract—

increasing the net cost of soap to the Department by anywhere from 5 to 10 per cent, all of which goes into the pockets of the New York manufacturers and railroads. This, I say, has been the practice of the Department for years, and it can not continue if this Bureau is transferred to the West.

Now, if that is true with reference to Chicago and New York, why is it not doubly true with reference to Omaha? Most of the supplies that are purchased by the Indian Department—and I believe they purchase from three to four million dollars annually—are produced in the Western States. For instance, I quote again from the gentleman from Chicago, Mr. Aldrich, who says:

Why, of some 80,000 packages of goods purchased by the Bureau last year for shipment to the Indians 60,000 went from Chicago and but 20,000 from New York.

Now, let us see what classes of goods mainly are purchased through this Government agency. The Indian Bureau asks bids for the following, among other supplies: Bacon, 901,365 pounds; barley, 30,000 pounds; beans, 278,910 pounds; beef, 34,450,000 pounds; coffee, 476,500 pounds; corn, 517,000 pounds; flour, 8,639,100 pounds; hard bread, 155,000 pounds; sugar, 929,915 pounds, and so on.

Gentlemen will observe in that enumeration that nearly all of these articles are produced in the West and the Middle West, or at least the majority of them.

[Here the hammer fell.]

Mr. MERCER. Mr. Chairman, I ask that I may have five minutes more.

There was no objection, and it was so ordered.

Mr. MERCER. Take the vast population of the Indians in the West and the Northwest, and you will find that they are more readily reached by the distribution of goods from the city of Omaha than from any other city in the country.

Mr. BARTHOLDT. Except St. Louis.

Mr. MERCER. I do not except even St. Louis, although St. Louis is a magnificent distributing point, and I have no doubt that the St. Louis influence and the Missouri influence will be in favor of concurring in the Senate amendment. [Laughter.] When this matter came up in the Senate it was thoroughly discussed, and after careful consideration the Senate, by a vote of 27 to 17, virtually resolved in favor of this proposition.

Mr. ALLEN. And that is a deliberative body, is it not? [Laughter.]

Mr. MERCER. So I understand. I accept the gentleman's suggestion.

Mr. DOLLIVER. Mr. Chairman, it appears that the Winnebago and the Omaha reservations are some 50 miles nearer to Sioux City than they are to Omaha. Has my friend from Nebraska taken that into account?

Mr. MERCER. Yes, I have; but the gentleman's statement is not correct. The northern line of the Winnebago reservation is perhaps a few miles closer to Sioux City than it is to Omaha.

Mr. DOLLIVER. It is only 20 miles from Sioux City.

Mr. MERCER. The northern line of the reservation is.

Mr. DOLLIVER. I call my friend's attention to the fact that if the mere question of convenience is to determine this matter, we might compromise the controversy by agreeing upon Sioux City as the base of supplies. [Laughter.]

Mr. MERCER. I will say to the gentleman from Iowa that the Winnebago and the Omahas who occupy those reservations do not get any benefit from the warehouse system, because they are American citizens who exercise the right of suffrage. There are about 500 voters on those reservations. Those Indians farm their own lands, clothe themselves, and handle their own finances. The great body of the Indians out West have to be clothed through the Bureau, and the lines running out of Omaha are better situated for the economical distribution of supplies than those running from any other center.

Mr. DOLLIVER. Does my friend mean to say that the freight rates from Omaha are cheaper than from Sioux City?

Mr. MERCER. I mean to say that goods shipped from the Southern States have a nearer outlet to Omaha than to Sioux City and are more readily transported from the Gulf, so that the freights would be cheaper for Gulf and ocean shipment than to Sioux City.

Omaha is the largest city in the Missouri Valley and her commerce is enormous. Lines of railroads enter her limits from the East and West, the North and South, and I may be pardoned for adding that most of these lines go to make up some of the greatest railway systems in the world. The city adds to her population and business annually, and in time she will be the largest city west of Chicago. Omaha is an ambitious city, and boasts the pride. She seeks to better her advantages at every opportunity, and the virtue of all her endeavors wherein the Government bears a relationship is that instead of growing at the expense of the Government she offers recompense for favors granted.

The establishment of a warehouse at Omaha will not subject the Government to expense; on the contrary, it will prove a saving of thousands of dollars annually, while conveniencing both producer and consumer. Omaha and Nebraska manufacture or produce everything which goes to a supply depot, and, in conjunction with the territory tributary thereto, can furnish the desired quantity. The transmississippi country furnishes the best flour, the best corn meal, the choicest sugar, and the most delicious beans, and the finest hams, bacon, and meats of all kinds—in fact, it is a storehouse of wealth, and Omaha is its great distributing center.

Large wholesale and jobbing houses compete with each other for trade, thus insuring to the Government fair prices for goods bought, while South Omaha, our next-door neighbor and the magic city of the continent, is rapidly supplanting Chicago as a cattle, hog, and sheep market.

Next year, beginning in June, the Transmississippi and International Exposition will open its gates in Omaha, and for six months the world can feast its eyes upon a sight second only in grandeur and importance to the World's Fair. Evidences of the growth and prosperity of twenty-four States and Territories will be on exhibition, and if you will pay us a visit about that time you will justify your votes in establishing an Indian-supply depot at Omaha.

I trust, Mr. Chairman, the committee will sustain the action of the Senate and concur in this amendment.

#### Indian Appropriation Bill.

#### SPEECH

OF

HON. WILLIAM H. KING,

OF UTAH,

IN THE HOUSE OF REPRESENTATIVES,

Monday, May 17, 1897.

The House having under consideration the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate numbered 10 to the bill (H. R. 15) making appropriations for the current and contingent expenses of the Indian Department and for fulfilling treaty stipulations with various Indian tribes for the fiscal year ending June 30, 1898, and for other purposes—

Mr. KING said:

Mr. SPEAKER: Owing to the fact that the personnel of the House is not the same upon each occasion when this matter has been under discussion, it may not be inappropriate to allude to questions covered heretofore.

This is a subject which seems to be as enduring as the stars. It appears that this special session of Congress was called to consider only two subjects—the tariff and the opening of the Uncompahgre Reservation. The first was quickly disposed of by this body; the other, oscillating between this end of the Capitol and the conference committee, rudely disturbs the peaceful slumbers of the House



and rouses distinguished gentlemen till they become the protagonists of (as I sincerely believe) an unrighteous cause.

It will be remembered that the Senate amended the bill and provided that after the agricultural lands had been allotted to the Indians the residue, at the expiration of a certain time, should be thrown open to occupancy and location under the general land and mineral laws of the United States. No exception to the general law was established and no discriminatory legislation proposed. This provision the House rejected, and after repeated conferences the measure reported has been evolved. It is now proposed to lease the mineral lands within the reservation, and to control them by agents and Government hirelings, and satraps and taxgatherers, and toll collectors and departmental clerks, who are as blind to the greatness of our nation and the needs of the West as the bats that beat so helplessly against the granite walls of the Department buildings.

And that is not all:

The Secretary of the Interior is authorized and directed to make all necessary regulations to carry this provision into effect.

There are to be "rules and regulations," which mean circumlocution and red-tape, and petitions and orders, and declarations and files, and memoranda and writings, and notations and briefs, and legal opinions, and heads of Departments and bureaus, and surveys, and plats and maps, and reports, and the thousand nameless, dilatory, never-ending proceedings which prevent action, destroy hope, and bring ruin. Then there is the fixing of the royalty to be paid by the operators of the property, the preparation of more rules, providing for classifying the material mined and for the time and manner of measuring and regulating the output; regulations as to when the mines shall be worked and timbered and drained and the improvements to be made.

To enforce and execute these regulations there must be more agents, and inspectors and experts, and accountants and weighers, and engineers and foreman, and supervisors and keen, lynx-eyed deputies, and gaugers and appraisers and classifiers. But this is merely the background to the charming picture presented for our consideration. Regulations and orders and laws are futile without penal provisions; so there must be the fines and forfeitures, and misdemeanors, and perhaps felonies. The occupant, if he is not the creature of a favoritism which this system creates, would vainly consume his time in attempting to comply with the regulations, and repelling or placating the horde of officials enforcing the shameful system of espionage and surveillance. But to enforce the criminal features there must be marshals and deputies, and commissioners and judges, and jurors and lawyers, and court-houses and jails, and so on ad infinitum.

What a splendid spectacle such legislation presents! The mere enumeration of some of its workings causes one to wonder whether this plan is not the emanation of a Spanish grandee in the time of Philip II. Instinctively we look to see the dark-visaged soldier, representing the thieving, scoundrelly officer of the Crown, that hounded and harassed the miners of Mexico and other Spanish provinces, and robbed and plundered while ostensibly enforcing the "regulations" which were so essential to secure the "royalty" due the king.

The SPEAKER. The time of the gentleman has expired.

Mr. KING. I ask unanimous consent to continue my remarks. Utah is deeply interested in this legislation, and has but one Representative.

The SPEAKER. For what time does the gentleman ask to continue his remarks?

Mr. KING. For twenty minutes at least.

The SPEAKER. The gentleman from Utah asks unanimous consent to continue his remarks for twenty minutes. Is there objection? The Chair hears none, and the gentleman will proceed.

Mr. KING. It would certainly be a quixotic effort if this vast machinery which will be constructed, if the committee's amendment is adopted, were only designed for this occasion. I sincerely believe, if this becomes a law, it will be the death knell to our mining laws, and be regarded as a precedent for the withdrawal of all mineral lands from location, and for the enactment of a measure the avowed object of which will be to obtain revenue for the Government, or the still more absurd and preposterous reason, to preserve the mineral wealth from becoming the subject of monopoly. Because of this belief, I shall do all within my power to defeat the committee's recommendation.

Unpleasant and wearisome as this struggle has been, it will be continued, so far as I am concerned, as long as the mineral-land system of the United States is assailed and efforts made to yoke us to the iniquitous and intolerable system of leasing and landlordism. While upon its face the matter under consideration may appear insignificant, it is nevertheless one of great importance. The question is not merely whether a small tract of land in Utah shall be opened to occupancy with or without restrictions, but the real question is: Shall the wise and beneficent mineral policy, which has contributed so immeasurably to our country's welfare and development, be repealed, and one the history of which is

indissolubly connected with the tyrannies of monarchies and the doctrine of the sovereignty of kings be fastened upon us?

Neither words nor rhetoric nor subtle arguments can disguise the issue. If the report of the conference committee is adopted, or the amendment just offered by my friend from Iowa [Mr. LACEY] is approved, this Congress will have raised its voice against the West and declared that the view so long maintained that the mineral wealth was the free inheritance of all, and open to the explorations of the poorest and humblest in the land, is no longer to prevail, and the paternalism of Spain is to become the policy of this Republic. It is no sufficient answer to this question to disclaim opposition to the mining laws of the Government, and to say that the only design is to withhold the application of the mineral laws from the Uncompahgre Reservation. It is seldom that the opponents of a policy or system which is strongly entrenched openly attack it or advocate its complete destruction. Occasionally a legislator unmasks his batteries upon an existing law and demands its repeal and the overthrow of everything founded upon it.

But more frequently the destruction of a system is quietly compassed. No protestation of affection for the magnificent juridical system relating to the mining industry of the United States will avail, because the course proposed will ultimately destroy it. It can not seriously be contended that the perpetuity of the system is not menaced when exceptions are made and the universality of the laws' application denied.

The distinguished gentleman from New York [Mr. SHERMAN] frankly admits that the adoption of the report introduces a change in our mineral laws and the gentleman from Iowa [Mr. LACEY] confesses that his amendment is a repeal of the law of 1866, so far as gilsonite upon the reservation is concerned. But it is contended gilsonite is a new mineral, and therefore a different law should be applied. It is new in the sense that the chemical formation is somewhat different from other hydrocarbons; but as a bituminous hydrocarbon it is not new. It is a mineral, and is governed by the general mining laws.

No good reason is offered for this legislation. Asphalt in its various forms, elaterite, gilsonite, etc., is being discovered in many States and Territories of the West. That found upon the reservation does not constitute a monopoly, created by nature, as suggested by the gentleman from Iowa. And if it were found only in the reservation, still there could be no monopoly, and it would be of but little commercial value if there is the quantity represented by the Government geologist, Eldredge. He claims there are at least 23,000,000 tons of gilsonite to be found easily and readily upon the reservation. This enormous amount renders the mineral of but little value. The only reason which I can see for supporting this scheme which changes our mining laws is that members are desirous of still further striking down the West and rendering it still more dependent upon the East. Why do members of the House single out Utah and apply this discriminatory legislation to it?

It has been shown during the discussion of this subject that gilsonite exists in many other places in the United States, but there is no proposition yet to withdraw such lands from the operation of the mineral laws. Is it thought best to proceed cautiously in this plan to destroy the West (by destroying the present mineral system) and to drive the wedge insightfully now, and select Utah as the entering point because of its supposed weakness? Why should gentlemen from the East concern themselves so much about this matter, unless, as suggested, it is the inauguration of a policy which is to culminate only when the West is punished and prostrated. If the generous policy of inviting the children of the Republic to go upon the public domain, and there build them homes and cities and by their industry and indomitable courage take from the uncertain depths the mineral wealth which has crowned and glorified our nation, is wrong, why not boldly denounce it and proclaim that the hour has arrived for its overthrow? By denying the application of the law, if only within the 2,000,000 acres of the reservation, you confess your opposition to it. The strength of a law is its universality.

Restrictions and exceptions and modifications presage its downfall. They are the insidious workings which crumble the foundation. But I inquire again, Why single out Utah? If gilsonite lands in Utah are not to be opened by American citizens, why permit similar lands elsewhere to be freely entered? If clerks and typewriters and bureaus and Departments at Washington are to say who shall work mineral lands in Utah, and how much shall be paid for the precious privilege of working them, why not extend the field of operations for these omnipotent persons? If the present operation of our mineral system is unsatisfactory and our Government needs revenues and royalties and further employment for the myriads who are now in its service, as well as a reason for additional boards, bureaus, subdepartments, prefects, divisions, commissioners, and agents, why not commit to the Secretary of the Interior the management of the entire mineral domain? Why select gilsonite and say, "We will apply a rule with

reference to it that we do not apply to other minerals?" And why launch proscriptive legislation at gilsonite in Utah and not that found in Colorado and elsewhere? This is class legislation. One section of the country is discriminated against, and certain minerals are placed under a ban and subjected to Federal control.

Gentlemen forget that our welfare is theirs; that our misfortunes will be visited upon them. Between 1848 and 1880 more than \$1,100,000,000 of gold and silver were produced in the West. The heroic, adventuresome sons of the East crossed the trackless West. The old Gothic spirit of invasion, so long held in abeyance, manifested itself, and from the cities and farms went the "strong hands and true hearts," followed by fathers' blessings and mothers' tears, that builded empires and added glory and luster to our country. The poetic dream of Freneau, the colonial poet, when he spoke of the young Republic, has been realized. Beyond the Mississippi "nations have risen not less in power than Greece and Rome of old." Our successes have been yours. When wealth was discovered, it was borne by ship and train and car to the homes of our fathers. With it came prosperity to the East. The gold and silver of the Pacific States unlocked the chains of industrial slavery that bound our nation and produced the marvelous prosperity enjoyed between 1851 and 1873.

The West supplied the gold and silver employed in carrying on the war; it enabled the Government to resume specie payment. God placed gold and silver and other minerals in the wild mountains and rocky fastnesses and desert plains of the West, and it has furnished a currency designed by the Creator as the money of the world. It has poured the product of its sons' toils and sorrows and privations, heartaches and hearts' blood, into the channels and arteries of trade and commerce. If an expanding, undebased currency is essential to prosperity and national growth, the West has builded your cities, freighted your commerce, established your manufactures, chained the oceans with steel and iron, and made this nation the foremost in the history of the world.

The duty of the Government with respect to the public domain was announced in the days of Alexander Hamilton, when he promulgated his magnificent opinion and submitted to Congress the mode of dealing with the public lands. There was then no suggestion of hoarding them or making vast revenues out of them, nor was there any proposition to lease the mineral lands, but the theory always has been to unfold the public domain, invite our children and our children's children to go out and conquer these empires, to bring prosperity from desolation, and to make additional stars that will shine in luster in the galaxy of the States. The West comes to you asking not for bread, but only for her rights. Do not give her a stone. She comes and says, "We have builded and beautified and prospered under the mineral system now in force."

All we have is our mineral wealth and the poor patrimony of sterile land that the gentleman from Iowa [Mr. LACEY] has just referred to when he stated that Utah had received more public lands than the State of Missouri. Does not the gentleman know that in Utah to-day we have deserts hundreds of miles in extent and mountains barren as the wastes of Arabia, and that to sustain a Commonwealth were largely upon the mineral wealth obtained from the ground?

I beg of you, gentlemen, not to bind Prometheus. Do not take away that which will "make us poor indeed" and not enrich you.

There has been great solicitude apparently on the part of some members here for the West; and it was remarked the other day when we were discussing the forestry reserve question that the East would have to protect the West against itself, the idea being that we desired to commit suicide, that we desired to pursue a plan that would be self-destruction to the West. You all know, gentlemen, that that insinuation is ill founded and unjust. It is true that while we have toiled and striven to develop this country and to take from the earth the wealth hidden there, yet as soon as it came to the surface it was poured into the lap of the East, to its enrichment and our impoverishment.

The representatives of the West come here to Congress and vote millions for your rivers and your harbors. They vote for your tariff laws, by which a portion of the country east of the Alleghany Mountains can be made rich and prosperous. But when we ask simple justice at the hands of our friends in the East they rise up and say, "You are about to commit suicide, and we must stand as a pillar of strength to prevent your self-destruction." We admire the magnanimity of some of those distinguished gentlemen who have so much consideration for us; but we desire to tell them that we have made the West what it is—rescued it from barrenness and sterility, and that now all we ask is that the Government shall give us an equal chance and shall not by discriminatory legislation take from us the enjoyment of rights and privileges belonging to American citizens.

I ask you again, my friends, why should you turn your backs upon the West? Why put an entering wedge into the mineral system of the country and destroy it? We tell you we know what our wants and needs are. We tell you that the people who

will locate these mines are the men of bone and sinew who have aided in building our Commonwealth. Then you say, "You do not know what you want, and we who live in the East must come and be your teachers."

We thank you for your magnanimity, but we tell you we know what we want, and we point to the West and its glorious achievements as a vindication of the policy that has been pursued by our fathers and by the legislators of the past. Do not repulse the West. I plead with you to-day not to introduce this discriminatory and sectional legislation, because that is exactly what it is. And now, without a moment's warning, without reason, without any occasion whatever, a proposition is launched upon this House to repeal that system under which our fathers founded that great empire that has given beauty and dignity and luster to the American Republic. I say it is a shame for you, my brethren of the East, to come here now and try to strike us down—try to repeal the laws under which the West has been builded and to establish anew a system that has received the condemnation of our fathers whenever brought to their attention.

There can be no indictment of the splendid system of jurisprudence which was constructed by the miners of California, and which was sanctioned by the Congressional legislation of 1866. Practical in its workings, just in its operations, simple in its application, it grew into beautiful proportions, and will ever remain a phenomenon, as well as an imperishable monument of the love of order and government in the Anglo-Saxon heart, and an unerring indication of the capacity of freemen for self-government. I solemnly protest against this iconoclasm. It seems that nothing is sacred, and that the object of legislation is to destroy that which has been perfected. There is legislative vandalism. The classic structures of Europe have not escaped the battering irons and sledge hammers of modern architects. Notre Dame would be converted into a country steeple tower. Such is the reverence the present pays to the past.

Much is said by the East about sectionalism. If there is a spirit of sectionalism in the land, the East is responsible. The contests of parties if honestly waged are wholesome, but when one portion of a country is arrayed against another, or one class against another class, there is cause for regret, if not apprehension.

Whenever any measure is proposed which is peculiarly related to the West, and with which the Representatives from that section are familiar, immediately the East is possessed of a consuming desire to control the matter, direct the legislation, and absolutely change or materially modify the plan under consideration. Who can deny that much of the legislation of the past quarter of a century has been sectional?

We come here realizing the vast wealth and the great importance of the East. Most of the legislation directly affects it. You demand colossal sums for rivers and harbors, and you go not away empty; you construct tariff bills and write their schedules; you build up and foster the manufactures of New England; you demand high protection for the manufacturer of woolen goods, but oppose similar tariff to the woolgrowers of the West; you produce the finished article, and therefore prohibit competition by iniquitous tariff schedules; but we produce wool and lead and raw materials, and you "all barriers would burn away" restrictive of their importation. You have the products of our mines, and though one-half of the money of the land has been destroyed, some would now further destroy us (in still further enhancing the value of the dollar) by overturning the system which has given it to commerce. We sometimes feel like the colored preacher who sang:

Lord, I hear of showers of blessings  
Thou art scattering full and free—  
Showers the thirsty land refreshing,  
Let some droppings fall on me.

You have the money and the wealth; we have courage and faith, and feel we have now reached man's estate, and will demand equality in the matter of legislation. We are one people, and wise, patriotic legislation and the pursuit of a policy which is not sectional will inure to the advantage of all and preserve our nation impregnable in the affections of the people and invincible amongst the nations of the earth.

Members say the opening of these gilsonite mines will prove of immense advantage to the nation, and that the small royalty proposed would not retard the operations of the mines or prove onerous to those engaged in their development. The latter contention I will reply to later in the course of my remarks. If the royalty were only 1 cent per ton upon the gilsonite taken from the ground, my opposition would be the same, and all the influence I possess would be employed to defeat such a scheme. As stated, a principle is involved. If 1 cent can be charged as a toll, or royalty, or tariff, or whatever name may be applied to it, then the right of the Government to charge any amount is admitted, and our mineral system is assaulted and a policy inaugurated which the experience of the past has proven to be hurtful. If a penny can be charged as royalty by the Government for mining a ton of gilsonite, the precedent will have been established, and



the demand will be made to place all minerals in the same category and operate all mines under the authority and supervision of the Government.

No one is credulous enough to believe, if this effort succeeds, the further application of the leasing principle will cease. And in fairness, why should it? If it is advantageous to the Government and the people to develop the mineral wealth by bureaus and clerks and departments (and this must be the contention to justify us in supporting this proposition), then we should, to be honest, immediately repeal the entire mineral law and declare that, as we have no king who can claim the mines as his *jura regalia*, they will be appropriated by virtue of the sovereign power of the United States. If a royalty must be charged on gilsonite, impose it for working gold and silver mines. Let us be honest, and dynamite the entire building instead of hacking off a corner to day and withdrawing a foundation stone to-morrow. But you can not enact such measures without breaking faith with the American people. After a full and complete examination of the methods to be pursued in dealing with the mineral lands, it was announced as the policy of our Government that the mineral wealth belonged to the bold and courageous explorer. It was a bequest from God to the daring miner.

And even before this enactment the Supreme Court of the United States had recognized the magnificent system of mining rules adopted by the miners of the Pacific Coast. In the case of *Sparrow vs. Strong* (3 Wall., 104) the court says:

We know also that the territorial legislature has recognized by statute the validity and binding force of the rules, regulations, and customs of the mining districts. And we can not shut our eyes to the public history which informs us that under this legislation, and not only without interference by the National Government but under its implied sanction, vast mining interests have grown up, employing millions of capital and contributing largely to the prosperity and improvement of the whole country.

A brief glance at the origin of the system which this legislation proposes to repeal and some of the benefits resulting therefrom may not be inappropriate. The discovery of precious metals in California was followed by a mighty tide of emigration to the Pacific Coast. The lands were unsurveyed. There was no legislation by Congress which was applicable to the people in their dealings and relations to the mineral deposits. Possessed of a love of order, and desirous of fair dealing and equal opportunities, as well as the establishment of a system which would secure peace and security of title and interest in property, they adopted customs and regulations which became the rule of property. In the eloquent language of Senator STEWART—

The reason and justice of the laws they formed challenge the admiration of all who investigate them. \* \* \* These regulations were thoroughly democratic in their character, guarding against every form of monopoly and requiring continued work and occupation in good faith to constitute a valid possession. \* \* \* The miner's law is a part of the miner's nature; he made it and he loves it, trusts it and obeys it. He has given the toil of his life to discover wealth, which, when found, is protected by no higher law than that enacted by himself under the implied sanction of a just and generous government.

These rules produced a system of free mining. There were no royalties, no leasing, no interference by the Government, but a declaration of the fact that the lands of our country were the patrimony of a free people. Protected in their location, feeling as secure as if buttressed by courts and juries and the complex laws of our modern civilization, they toiled on, hopeful of success, achieving victories and encountering defeats, giving their lives and their all to the enrichment of the nation.

These rules were approved by the United States Supreme Court.

In every district which they occupied they framed certain rules for their government. \* \* \* They all recognized discovery followed by possession as the foundation of the possessor's title, and development by working as the condition of its retention. And they were so framed as to secure to all comers within practicable limits absolute equality of right and privilege of working the mines. Nothing but such equality would have been tolerated by the miners, who were emphatically the lawmakers as respects mining upon the public lands. \* \* \* During the eighteen years from 1848 to 1866 the regulations and customs of miners as enforced and molded by the courts and sanctioned by the legislature of the State constituted the law governing property in mines and in water on the public mineral lands. (*Jennison vs. Kirk*, 98 U. S., 452.)

The legislature of California recognized these mining regulations and customs, and Judge Field and other eminent jurists so applied and molded them that a wise comprehensive "common law" was produced which will forever be a source of pride.

The system thus originating has been taken up and adopted by the States and Territories west of the Missouri River. And that is not all. This system, founded in the necessity of the hour, in man's sense of justice and love of right, became by adoption the child of our Government. In 1866 Congress declared—

That the mineral lands of the public domain, both surveyed and unsurveyed, are hereby declared to be free and open to exploration and occupation by all citizens of the United States, subject to such regulations as may be prescribed by law, and subject to the local customs and rules of miners in the several mining districts, so far as the same may not be in conflict with the laws of the United States.

The discussions in Congress prior to the passage of the act, including that which occurred in 1850, conclusively establish the fact that free entrance upon the mineral lands and unrestricted

occupancy of the same for mining purposes were regarded as a right. The act of 1866—

was rather a voluntary recognition of a preexisting right of possession constituting a valid claim to its continued use than the establishment of a new one. (*Broder vs. Water Company*, 106 U. S., 236.)

And further, to show how the Supreme Court regarded the encouragement offered by the Government to the people to freely enter and occupy the mineral lands, and in support of the view that it would be mala fides to now depart from a policy not only approved but adopted, let me quote from the statements of the court:

The Government by its silent acquiescence assented to the general occupation of the public lands for mining; and to encourage their free and unrestricted use for that purpose reserved such lands as were mineral from sale and the acquisition of title by settlement. (*Atchison vs. Peterson*, 30 Wall., 512.)

Before 1866 mining claims upon the public lands were held under regulations adopted by the miners themselves. \* \* \* These regulations were framed with such just regard for the rights of all and afforded such complete protection that they soon received the sanction of the local legislatures and tribunals. \* \* \* In all the legislation, whether of Congress or of State or Territory, and by all mining regulations and rules, discovery and appropriation are recognized as the sources of title to mining claims, and development by working as the continued ownership until patent is obtained. (*Erhardt vs. Boaro*, 113 U. S., 535.)

In the most solemn manner Congress has declared the right of American citizens to occupy the mineral lands and procure title. The highest judicial tribunal has repeatedly affirmed the wisdom of free mining and the comprehensiveness and justice of the mining regulations, and has enforced them as the rule of property.

So I emphasize the statement that the contemplated legislation is a violation of "rights," and a repealing of common and statutory law, which is embedded in the affections of the people, and justifies the charge that if enacted the Government would be guilty of mala fides and the commission of a wrong.

The SPEAKER. The time of the gentleman has expired.

Mr. KING. I ask unanimous consent to proceed.

Mr. McMILLIN. I hope the gentleman will be allowed to continue his remarks.

Mr. LACEY. For what length of time?

Mr. BARTHOLDT. I suggest that no limit be placed upon the discussion by the gentleman from Utah. His side is not represented in the division of time on this floor. The gentleman from Iowa [Mr. LACEY] and the gentleman from New York [Mr. SHERMAN] are practically on the same side of the question.

Mr. McMILLIN. I suggest that the gentleman from Utah be allowed to continue twenty minutes longer. I am assured by him that he can conclude in that time.

There was no objection.

Mr. KING. I thank the House for its kindness.

The legislation of Congress and the decisions of the courts should not only estop the Government from enacting this legislation, but ought to be regarded as *res adjudicata*.

And it must not be forgotten that the land embraced within this reservation was a portion of the public domain; and the right of occupancy referred to attached thereto and to the minerals within its borders. By no act of Congress or otherwise has such land become entirely and absolutely segregated from the public domain. It is true an Executive proclamation in 1832 designated it as a "reservation," but this proclamation was predicated upon preceding legislation which gave the Uncompahgre Indians no permanent rights of property in these lands; and it is clear that the reservation was only created for a temporary purpose, until the United States could carry out its treaty with the Indians.

In other words, it was not intended that these lands should be withdrawn from the public domain and thereafter be exempt from the operation of the general land and mineral laws. The mineral ought therefore to be subject to entry in the same manner as other mineral lands. I do not deny the power of Congress to withdraw these mineral lands from entry, but deny its right. There has been no withdrawal, but a mere arrest of the right to enter until the Government allotted lands in severalty to the Indians. Technically, perhaps, while the proclamation was in force, the lands were not open to location, yet in all honesty and justice any entries made which were not in conflict with the purpose for which the reservation was created ought to be regarded as valid, and as soon as the Indians were provided agricultural and grazing lands in severalty, the rights of the entryman should attach and vest, and inchoate become definitive and indefeasible rights.

Gentlemen will remember that before the boundaries of the reservation were known numerous citizens of the United States made locations upon the mineral veins now declared to be within the reservation, and pursued the usual course (until interrupted by Government officials) necessary to obtain title. It will be conceded by all that, in the absence of the Executive proclamation referred to, these locations would be valid and the locators would acquire vested rights. But remembering the purpose of the proclamation, its tentative character, and the legislation of Congress in 1894 by which, after certain lands were allotted to the Indians,

the residue were to be opened to occupancy, it would seem, by every rule of law and justice, that these locators possess such property rights in the located claims as to render the amendment, if enacted, invalid. Congress recognized, in part, these claims as valid by passing a law withdrawing the lands upon which they were located from the operation of the proclamation.

This measure did not receive the President's approval. But the rights of these locators could not be extinguished; they might be suspended or held in abeyance. When the law of 1894 was passed and the lands not needed for allotment were returned to the public domain, these abeyant rights became vitalized. It is now proposed to divest these citizens of their property and to prevent other citizens from exercising the rights heretofore granted to American citizens. Such legislation is unconstitutional; it is retrospective; it confiscates property without due process of law and conveys it to the Government for speculative purposes. In support of the statement that as to persons who have locations upon the reservation this proposed legislation is unconstitutional, I desire to refer to the case of *Noonan vs. Caledonia Min. Co.* (121 U. S., 402). The court say:

Those in possession of mining claims which had been taken up and developed in accordance with the rules of miners in mining districts of the country, were entitled to the protection in their possessory claims. \* \* \* The rule laid down by the supreme court of the Territory is, in our judgment, the correct one, \* \* \* and that is substantially this: That where a party was in possession of a mining claim on the 28th of February, 1877, with the requisite discovery, with the surface boundaries sufficiently marked, with notice of location posted, and with a disclosed vein of ore, he could, by adopting what had been done, \* \* \* date his rights from that day; and that such location and labor and improvements would give him the right of possession.

In this case a mining location had been made within a reservation, and the court held that a compliance with the regulations of the district initiated such a right as would be entitled not only to protection by the courts, but would ripen into a perfect title. The mining regulations and the statutory provisions were complied with by those locating mineral claims within the Uncompahgre Reservation. The committee's recommendation, if crystallized into law, would reverse a policy long since settled and adjudicated, interfere with vested rights, rob citizens, and confiscate the property acquired by those who in good faith located mineral claims and are ready and desirous to perfect their title and obtain patent. Another point ought to be considered in this connection. The law of August 15, 1894, provided—

That the remainder of the lands on said reservation shall, upon the approval of the allotments by the Secretary of the Interior, be immediately open to entry under the homestead and mineral laws of the United States.

The commission negotiated with the Indians, ascertained that 10,000 acres only of land were susceptible of allotment, and designated by natural objects the situs of the land. The Secretary of the Interior, disregarding his sworn duty, deliberately violated this law, and refused to approve the action of the commission, hoping thereby to prevent the mineral lands within the reservation from being located under the mineral laws. To justify his misconduct he pleaded that rich deposits of gilsonite had been discovered, and that the Government ought to adopt some different method of disposing of the same. Such defiant conduct deserves condemnation. How members can not only complacently view his proceedings, but defend and justify them, passes all understanding.

But I insist that the mere perfunctory duty of approving the allotments made by the commission was not indispensable to the "opening of the reservation to entry." When the commissioners reported that a certain part of the reservation, the boundaries of which were clearly pointed out, was all that could be allotted, the residue was free from the cloud created by the Executive proclamation of 1893 and co instanti became reunited with the public domain and subject to entry. There ought to be finality some day to legislation. The law of 1894 was final and its provisions ample to protect the Indians and restore to the public domain the lands temporarily withdrawn. But the proposition now is to repeal this act, reverse the action of Congress, approve the conduct of officers who violated the law and who treated with derision mandatory provisions of important legislation.

If this House performs its duty, it will affirm the act of 1894, condemn the derelictions of former officials, and emphatically declare that this reservation shall be opened to location and settlement under the general land and mineral laws of the United States. What is offered as a substitute for the mineral system, the beneficent results of which none denies? One that had its birth in mediocrity, in tyranny, and the most despotic paternalism, and which has been condemned after experiment by the American people. I was inaccurate in stating upon a former occasion that the policy of leasing mineral lands by our Government was unknown. I now desire to invite attention to the operations of this system and the disastrous effects resultant therefrom. Under the monarchical governments of Europe mines were regarded as *jura regalia*. They were not treated as essentials of sovereignty but as incidental to the regal dignity of the crown and subject to servance at the pleasure of the king.

In the case of *Queen vs. Earl of Northumberland* (1 Plowden, 310) the court of the exchequer decided that the right of mines was a personal prerogative of the Queen. Onslow, the Queen's solicitor, argued that the precious metals being the most excellent of products, and the sovereign the most excellent of persons, therefore she should possess them. Similarly, it is now contended that the Government should possess the gilsonite because it is excellent and the Government is more excellent than the sovereign people. Upon the breaking up of the Roman Empire this regalian right, we are told by Gamboa, was insisted upon by the princes, and the mineral deposits were appropriated by them. The King of Spain in 1383 by royal decree ordained that:

All mines of silver and gold and lead and of any other metal whatever kind it may be, in our royal seignior shall belong to us; therefore no one shall presume to work them without our license and command. (Hallack 4.)

The plan now proposed sounds like a voice from Spain's spectral kings. Under this and similar decrees elaborate ordinances and regulations were promulgated for the control and operation of the mines. Spain was then monopolizing and taxing everything, and so established the system of royalties and leasing. A review of the mining industry under this system is absolutely convincing that it resulted in failure and disaster. Ninety-nine per cent of those obtaining licenses to prospect and develop mineral wealth defaulted in meeting the conditions of the leases. The machinery employed in enforcing the regulations was stupendous, and their enforcement was a source of great expense to the Crown. The onerous character of the regulations, the cupidity and avarice of the officials enforcing them, the oppressive exactions of local agents, commissioners, and boards, the uncertainty of tenure, the knowledge that if rich strikes were made, changes in the lease would be prescribed, the knowledge that the property could never become possessed—these and many other circumstances conspired to render the leasing system, when applied by the Government to mineral lands, not only unsatisfactory, but profitless to the Crown and injurious to the subjects.

Mr. Fremont states that with all the machinery employed the Spanish monarchs never received in any year to exceed \$60,000 as royalties from all their mineral properties.

The history of Spain's efforts to lease the mineral lands and obtain royalties therefrom is one of fraud and failure and humiliation and disgrace; and yet it is that system that gentlemen now advocate and offer as a substitute for one the history of which has been glorious and the results of incalculable benefit.

So destructive of the mining industry had Spain's policy been that the production of minerals had practically ceased at the time Mexico threw off the Spanish yoke; and to revive the languishing enterprise Mexico abolished the multiplied taxes and royalties and substituted a mere duty of 3 per cent. The work of resuscitating this languishing industry continued and the quicksilver mines were freely granted to all who would engage in their development. Miners were relieved from personal contributions as well as military service, and rewards of \$25,000 each were decreed to the first four operators who would extract a certain quantity of quicksilver. Taxation and royalties and the efforts made to control the mines by leases and regulations, enforced by employees and hirelings thousands of miles from the source of authority and power, destroyed that which would have contributed to Spain's glory. Mexico reversed, in part, this destructive policy.

It certainly can not be designed to obtain revenue from this proposed royalty upon gilsonite; and yet wherever the leasing system has been adopted, its justification was placed upon that ground. Blackstone states that the ancient sources of revenue were waifs, wrecks, estrays, deodands, and mines, but that they were repealed by a uniform system of taxation. Is it proposed to adopt the obsolete and condemned methods of the past in order to obtain revenue? Yet history demonstrates that mines controlled by the Government failed to yield a revenue. It must be conceded that the earliest Congressional legislation in regard to mineral lands was founded upon the idea of revenue to be obtained by leasing the lead and copper mines. But after forty years' experience the entire scheme was pronounced a failure and abandoned, and the mines offered for sale, preference being given those in possession under leases.

On January 30, 1828, the Committee on Public Lands in the House, in obedience to a resolution which required an inquiry "into the expedience of repealing such laws of Congress as prohibit the sale of public lands in the State of Missouri which contain or are supposed to contain lead mines," submitted a report in which it was stated that it had been the policy of the Government since the acquisition of Louisiana to retain under its immediate control the lead mines of Missouri by withholding from sale the public lands in which those mines existed. "The original motives which led to the adoption of this policy, as is believed, can not be traced to any documentary source."

After referring to the report of the War Department, in which it was stated that the product of the public lands had not increased and that the veins, though existing, were abandoned for



the hope of more accessible veins at different points, the committee stated:

This, the committee supposed, must ever be the case so long as those who work the mines have only a limited and temporary interest in them and are under the necessity of receiving an immediate remuneration from the capital vested in and the labor bestowed upon their mining operations. The ore will remain in its natural bed and never be drawn forth to mingle with and increase the aggregate mass of national wealth until subjected to the unimpeded action of exclusive individual interest.

There is another view of the subject which the committee believe entitled to great consideration. If all these (mining lands) are to be occupied by tenants of the Government, there would be created a numerous band of dependents, who, however they may affect the General Government, can not but be viewed by the local authorities with distrust and jealousy. A population thus dependent upon the Federal Government and its officers for the continuance of their vocations must of necessity be unsettled and fluctuating, and the products of their temporary and irregular labors will afford a limited compensation for the exclusion from so large a portion of the State of a more settled, permanent, and useful class of citizens. Believing that the laws prohibiting the sale of public lands in Missouri which contain lead mines should be repealed, the committee report a bill.

In the first annual message of President Polk, December 2, 1845, it was shown that the leasing system was unprofitable; that the entire amount received by the Government from 1841 to 1844, both years inclusive, was \$3,854.74, and that to collect this amount \$36,111.11 was expended in salaries, clerk hire, agents, superintendents, bureaus, etc. The President then adds:

To this pecuniary loss may be added the injury sustained by the public, in consequence of the destruction of timber and the careless and wasteful manner of working the mines. The system has given rise to much litigation between the United States and individual citizens, producing agitation and excitement in the mineral regions and involving the Government in heavy additional expenditures.

It is believed that similar losses and embarrassments will continue to occur while the present system of leasing these lands remains unchanged. \* \* \* The present system is believed to be radically defective. More than a million acres of the public lands supposed to contain lead and other minerals have been reserved from sale and numerous leases upon them have been granted to individuals upon a stipulated rent. The system of granting leases has proven to be not only unprofitable to the Government, but unsatisfactory to the citizens who have gone upon the lands, and must, if continued, lay the foundation of much future difficulty between the Government and the lessees.

President Fillmore, in his annual message of December 2, 1849, recommended extending the generous land laws of the Government to California, Utah, and New Mexico. Referring to the manner of disposing of the mineral lands of California, he declared that he was at first favorable to leasing them in order to obtain revenue, but that a recollection of the "experience in leasing lead mines and selling lands upon credit" had convinced him that great difficulty would ensue in collecting rents, "and that the relation of debtor and creditor between the citizens and the Government would be attended with many mischievous consequences."

The questions of leasing and royalty received earnest attention in the Senate in 1850. Senator Fremont, of California, had introduced a measure providing for certain police regulations for mining districts (Congressional Globe, Thirty-first Congress, page 1862). Some Senators advocated a policy which would yield revenue to the Government, and Senator Ewing proposed an amendment which introduced a system of seigniorage, the product of the mine going to the Government, from which a portion was returned to the miner.

Senator Benton eloquently pleaded for a system of free exploration upon the mineral lands, and said:

I am of the opinion that the United States ought not to undertake to make a revenue out of the mines; that the United States ought to content herself with getting the wealth out of the bowels of the earth itself, which is now lying so useless; that she ought to content herself with receiving what will pay the expenses of the administration of such a system, and that system ought to be just as simple as it can be made and at the same time preserve order among the miners. \* \* \* I do not believe in nations working gold mines at all.

I believe in individuals managing things of this kind, but not nations. I believe the true treasure of every government is the affections of the people, and that the true riches of every nation is the people first and the wealth afterwards that flows from that industry. \* \* \* I therefore wholly object to the whole idea of deriving revenue from these mines. \* \* \* I am in favor of getting what revenue we do get from the gold mines through the secretions of commerce, with no superintendence over the man as to what he digs, and no accountability of the digger for what he gets; with nobody to stand over him and say how much he gets, and no one to call him to account and tell him what he gets. \* \* \*

And have we not had experience in the attempt of our Government to raise revenue from mines? Have we forgotten the lead mines and salt springs we reserved in Missouri and Illinois? And have we forgotten that when we acquired these countries and heard of the salt springs and lead mines there, we were inflamed with the idea of the United States deriving revenue from boiling salt water and digging lead mines? Under that excitement these salt springs and these lead mines were reserved to be leased. What was the result of it? It turned out that the Federal Government was never made for the purpose of boiling salt water or digging lead.

When I first came here, the first legislative duty I had to perform was to endeavor to free the State of Missouri of the incumbrance of the landlordship of the United States over the lead mines and salt springs, which was harassing the people. I was then joined by some of the fathers of the Republic—by such men as Mason—went against the whole idea of the Government working mines and making money out of it. We succeeded. The system was broken down in Missouri. The salt springs were given to the State. The lead mines, which had been reserved for lease, were thrown into market and sold, as other public lands, at \$1.25 per acre. So we got rid of these things in Missouri.

Then came on the lead mines of Upper Mississippi. Our imaginations

were inflamed again with the belief that we were to make a great deal of money by leasing out these lead mines. This scheme was adopted. I voted against it. \* \* \* I told the Senate then, as it happened to lead mines of the State of Missouri, so it would happen to the lead mines of Upper Mississippi; that this system would be harassing to the people, and cramping industry would end with bringing the United States in debt. That turned out to be the fact, for one of the last messages sent to us by President Polk was to recommend the breaking of this system. He showed the amounts requisite to keep up the system, which were enormous, and he recommended the abolition of the system.

During the discussion Senator Seward, and he ought to be good authority with my friend from Iowa [Mr. LACEY], stated (page 1365):

I will add now only this, that the objects of the United States in regard to the gold mines in California ought to be, in the first place, to bring to the general public use of the people of the United States the largest possible acquisition of national wealth from their newly discovered fountain; and secondly, to render the mining operations conducive to the best and speediest possible settlement of our vast countries on the Pacific, which are so soon to exercise boundless commercial, social, and political influences over the Eastern world.

The pecuniary wealth and political power then to be obtained will be obtained just in proportion to the number and assiduity of the persons who shall be engaged in working the mines of California. That number and that assiduity will be in exact proportion to the liberty of the terms upon which the mines shall be opened. It was on this ground that I voted against the proposition of my honorable friend from Ohio [Mr. Ewing] which contemplated seigniorage and revenue to the Government from these mines, and in favor of the provision contained in the bill, which stipulates for nothing in the way of revenue but enough to pay the expenses of regulating the operations of the mines.

The remarks of Senator Felch, of Michigan, upon the occasion so completely cover the subject that I can not refrain from reading:

In the first place we reserved the lands which had been sold by prior governments, but we have since abolished that system, because it was found impossible to manage these mines. We have lead mines in Missouri and Wisconsin and Illinois, and we commenced upon a system \* \* \* first by granting permits to work these mines, and then by reserving to the Government the right of mining where the title to the land was sold. In each of these instances we have found it necessary to abolish this system, because it has been found impracticable to carry it out and unprofitable to the Government.

When the discovery of the copper mines was made on Lake Superior, we reserved to ourselves the right of working them, and that right was afterwards abandoned because it was supposed to be a right held in derogation of the right of the State, and also because it was building up a leasing system and placing a tenantry upon these lands and holding them from local taxation, compelling the authorities of the State to preserve order among these tenants, while not an acre of these lands was taxed to pay for the expenses incurred by the State. In the year 1845 the matter underwent an investigation in the Land Office and in Congress.

The agents were all dismissed except one, and a recommendation has been made that he should be dismissed also. In all these cases everything shows that we have never made anything under the mining system and that it is one which must be abandoned.

The Senator then proceeded to argue in favor of the freedom of entry upon the mineral lands and against Government machinery, agents, etc., to control them.

During the discussion of the mining law of 1866 (Congressional Globe, Thirty-ninth Congress, page 3296) Senator Sherman approved the policy of free entry upon mineral lands. He stated:

I think it is the interest of the United States to get rid of the mineral lands of the United States, to give them into the hands of private individuals, to give them the title by patents in the ordinary way, so that the United States will be divested of all proprietary right over the mines. \* \* \* I might produce the opinions of Mr. Benton, Mr. Clay, and many of the most eminent statesmen of America to show that the title of mineral lands is of no benefit to the United States. From time to time the principle of disposing of mineral lands, salt mines, iron mines, etc., has been adopted, so that now, I believe, we have no proprietary title in the United States to any but the gold and silver mines. This bill gives the mineral lands to the people where they are, in Nevada and in the other mineral States. \* \* \* It gives them the lands for probably less than it will cost to lay them out, survey them, locate them, plat them, and sell them, so that it is substantially a grant of all the mineral lands to the settlers in the mineral regions; and that policy I am in favor of adopting; while, on the other hand, if you should adopt the proposition now made by the Senator from Oregon, the United States would retain possession and control of these lands, would be subject to expenses, and there would be no legal right, no legal title, to the improvements made on these lands. A settler going upon a claim and building his improvements on the land there has no title whatever; the title to the improvements is in the United States; he has nothing but a possessory title, a customary right, which the United States at any time may destroy, and it seems to me that nothing could be more injurious to the people who go to our mineral lands than this system of affairs—no title, no right to a man's improvements, at any time subject to the legislation of Congress, no inducements to make improvements, no fixed and permanent settlement.

On July 14, 1866, a proposition was submitted to the Senate by which the Secretary of the Interior was to be authorized to lease certain saline lands containing mineral springs. The scheme was severely condemned by Senators and the evils which have resulted from such a policy clearly indicated.

Senator Grimes said (Congressional Globe, Thirty-ninth Congress, page 3805):

This Government never has and it never ought to become the landlord of a portion of the people of this country. That is not the relation that is encouraged by any of the laws of our States to any considerable extent, and it should not be encouraged by the Government of the United States.

The true liberty, understand, in a republican government is that, so far as possible, every man shall be the owner of his own soil, the owner of his own tools, the owner of his own labor and his own machinery. \* \* \* But so long as you undertake to maintain the relation of landlord and tenant to the persons who are going to carry on these salting works, so long they will remain in an undeveloped state and the country will never realize a tenth

part of the advantage from the salt springs that we would realize if they were conducted by private enterprise alone. That is the experience of this Government; it has been from its foundation; it is the experience of every Government on the face of the earth. All such enterprises as these should be carried on by private energy and by private means; and so long as you allow the man who conducts it to be the owner of the property, so long he will be willing to invest more and more means in the appliances that may be necessary to conduct his business to a successful result.

Senator Conness declared that the leasing system was founded upon the monarchial idea that the most valuable things belong to the sovereign; but that he believed that nothing was of too great value for American citizens, and that, being the sovereigns themselves, it would be an act of supererogation and folly to lease the lands to themselves. Continuing, he said:

Why should not the ownership of that thing pass into the hands of the citizen? Is there anybody in the world, is there any power on earth, which can find the value or develop the value of a thing faster and more certain than its owner, and can there be any ownership of a higher character than of the American citizen? The whole system seems to me to be wrong. You are going to institute in one of your departments a power to lease and let a part of the public property to your own citizens, and no such lease, the bill provides, shall be for a longer period than twenty-five years, and then during the twenty-five years the lease is to be subjected to readjustment every five years by "disinterested referees."

The Interior Department or the Land Office is to appoint referees every five years. Where shall they go? Shall they act in regard to a piece of property that they know nothing about except as they get information from the Land Office, that information coming through a bureau that perhaps knows nothing about it? It appears to me to be very small business for this Government to engage in. It is especially provided, it will be observed, that this bill shall not apply to the section of the country from which I came. We are not to be made tenants. For one I am very much obliged to the committee for releasing us from such a vassalage.

If the saline lands and the mineral springs belonging to the Government are to be leased, why not lease the gold and silver mines? They are of infinitely greater value; they attract the attention of mankind to a greater extent and concentrate the effort of man and the capital that man can bring to the development of natural resources to a greater extent than these more ordinary classes of property.

Are the lessons of the past to be forgotten because, in the language of Senator Benton, our "imagination is inflamed" with the idea that the Government can profit from leasing gilsonite mines? I can not believe that a system having its origin in the despotism of monarchs and perpetuated to strengthen their power and enslave the people, a system which in its practical operation was unprofitable to the landlord and injurious to the tenant, and was the cause of litigation and strife between the government and the people; one which destroyed the mining industry in the provinces of Rome and the dependencies of Spain; a system which prevented private enterprise and created monopolies in the Crown and the courtiers and favorites of the court, and developed such ponderous machinery to carry into effect the volumes of ordinances, rules, and regulations imperative to the plan of government leasings and royalties that the miner was destroyed and frauds and corruptions were fostered and fostered, is to take the place of one which is the result of American freedom and civilization.

After fair trial in the United States, Government control and operation of the mines was condemned. There are no new grounds upon which to base a motion for a new trial. [Applause.] [Here the hammer fell.]

The Late Hon. W. S. Holman.

REMARKS  
OF  
HON. WILLIAM SULZER,  
OF NEW YORK,  
IN THE HOUSE OF REPRESENTATIVES,  
Thursday, July 8, 1897.

The House having under consideration the following resolutions:

"Resolved, That the business of the House be now suspended that opportunity may be given for tributes to the memory of Hon. WILLIAM S. HOLMAN, late a Representative from the State of Indiana.

"Resolved, That as a mark of respect to the memory of the deceased, and in recognition of his eminent abilities as a distinguished public servant, the House at the conclusion of these memorial proceedings shall stand adjourned.

"Resolved, That the Clerk communicate these resolutions to the Senate.

"Resolved, That the Clerk be instructed to communicate a copy of these resolutions to the family of the deceased."

Mr. SULZER said:

Mr. SPEAKER: From time immemorial, throughout all the ages, in all civilized nations, it has been customary for a grateful people to praise their illustrious dead and commemorate their acts, their deeds, and their achievements. In my opinion it is fitting and proper that this ancient and time-honored usage should never be departed from, and in all the years to come should be strictly adhered to, especially in this free land of ours. In harmony with this sentiment and on this sad occasion I desire to pay a just and deserved tribute to our late colleague, Judge HOLMAN.

WILLIAM S. HOLMAN was one of the men of the century. He

was a grand old man. He was a great man. He died in the ripeness of his years full of honor. He was a ripe scholar, a learned and able jurist, an experienced legislator, a broad and liberal-minded man, a good citizen, and a distinguished statesman. He belonged to the old school, and was one of the last of his class. For over half a century he served his constituents, his State, the country, and the people. He was a rugged man—strong in body and in mind—sturdy, sincere, and always steadfast. He had fixed principles, and he adhered to them without a deviation. He loved truth and honor and character.

He had strong convictions, and the inflexible courage to uphold and maintain them. He believed in the plain people, always kept in touch with them, and made their cause his own. He was the friend of the poor, of the toiler, of the wage earner, of the oppressed, and of the downtrodden. He championed the right, combated the wrong. He was on the side of every cause that was right and needed assistance. He strenuously fought every wrong that needed resistance. He was always on the side of the people and battled for their rights. He was their idol, their spokesman; he knew all their hopes, all their fears, and all their aspirations. He was a Lincoln-like man—kind, just, and sympathetic. A man of the people and for the people—a true American.

He was not only a great man, but he was as true a man as ever breathed. Yet with all his greatness he had a simple, homely way, typical of true worth and characteristic of genuine American manhood. He was a hard worker, tireless and indefatigable. He succeeded in accomplishing things. He was an able parliamentarian and one of the most distinguished legislators of his time. In debate he was seldom eloquent, but he was always quick and alert and ever ready. No one ever caught him napping. He had a genial, gentle nature, a happy, sunshiny disposition, and a sweet, lovable character. He was always the friend of young men, ever ready and willing to advise and help them. But above all, and beyond all, he was an honest man, the noblest work of God.

Judge HOLMAN's name for years was a household word. From one end of the land to the other he was known either personally or by reputation. By reason of his opposition to reckless and extravagant appropriations he saved the country millions and millions of dollars. How much can never be estimated, and, of course, will never be known. But every dollar saved lessened the burdens of the taxpayers, earned for him the enduring thanks of the people, and established his name as the "Great Objector" and the "Watchdog of the Treasury."

The great works he performed for all the people made him feared and disliked by the few whose schemes he checked and defeated. It was a thankless task, a never-ending work. But he never faltered and he never hesitated. He saw his duty, and without fear or favor he dared to do it. He knew his cause was just, and that time, which levels all things, would justify his course.

He was an original man. He had no predecessors. He may have imitators, but he will have no successor. His work was his own. He carved out his own career; his field of endeavor was all his own making. He was the architect of his own triumphs.

A great man is dead, and a grateful people mourn their loss. A great light has gone out forever, and we shall not look upon his like again.

He was not a man of war—not a military man. He was a great civic hero. His victories were the victories of peace, not the triumph of battle. He did not lead an army, but he fought for the masses, and against the encroachments of their rights. He was a leader of the plain people, and struggled day in and day out, year in and year out, to keep the Government within their control.

He believed in the principles of Thomas Jefferson. He knew the power for evil of concentrated wealth. He saw the tendency of the times, the drift of legislation, and he realized the danger to the Republic of a governmental policy which robs the many for the benefit of the few, and by indirection and under color of law makes the rich richer and the poor poorer. He knew that such a policy must sooner or later enslave the masses and destroy free institutions. Here he took his stand. He could not do otherwise.

He was the implacable foe of trusts and monopolies, and denounced them at all times and in unmeasured terms. He believed in equal rights to all, special privileges to none. He did not believe in taxing one man for the benefit of another. He stood for equal opportunities for all, injustice to none.

He believed that all men are created equal, and that governments derive their just powers from the consent of the governed.

He often stood alone, but he saw with a clear vision that the gradual infringement of these fundamental principles of the people menaced the stability of the Republic and threatened the perpetuity of free government.

Would that there were more men like WILLIAM S. HOLMAN. It would be better for the people and better for the country. The Republic would endure longer.

He was not a demagogue, but he was a fearless, honest, incorruptible patriot. He hated cant, false pretense, hypocrisy, and



cared nothing for the hate, the criticism, or the ridicule of the men whose attempts to filch the Treasury he detected and prevented. He worked on with a fixed and determined purpose. He knew he was right. His courage in the face of obstacles was magnificent. He never turned back. He never cringed or fawned to power or wealth that thrift might follow. A half century in public life, and a poor man. That tells the story, and the whole story. Grand record—noble record!

He was a wise and a just man in all things. He was as pure and as disinterested a patriot as ever lived. His life and his example will be an inspiration to all who follow after him.

What a lesson we can learn from his career! He trusted the people, and they trusted him. He was true to his trust, true to the people, and they were true to him. He had principles, and he fearlessly proclaimed them. He had convictions, and he never subordinated them for a temporary advantage, no matter how great or alluring it might be. He was sincere and honest in all he did. He loved the plain people, and he loved his country. He never forgot that he was a servant of the people, sent to Congress to serve them and protect and preserve their rights. He was always true to himself, and he knew that then he could not be false to any man, any duty, or any obligation. Let us follow in his footsteps; let us take his example as our bright, guiding star for the work we have before us, for the work that we must do.

Mr. Speaker, there are gentlemen here who knew Judge HOLMAN longer and better than I knew him. But no one in this House to-day appreciated him more, respected him more, or loved him more. I grieve with his friends and his relatives. I have lost a sincere friend, one of the best friends a man ever had.

It is not my purpose to sketch Judge HOLMAN's long and honorable career. Others have done that better and more eloquently than I can do it. They have told the story of his long and eventful life, of the great work he has done, of all that he accomplished and achieved, of the good he did in the world, and of his struggles for fifty years to make mankind better, happier, and more prosperous. The world is better because this man lived. He will be sadly missed. His place can not be filled.

Mr. Speaker, WILLIAM S. HOLMAN is no more. His career on earth is finished. His work is done. He has fought the good fight; he has run his course; he has kept the faith. He needs no monument of marble or brass. A grateful people, to whose service he dedicated his life, will keep his memory green. In his battle for the rights of man he wrote his name high in the world's temple of fame. The American historian will accord him a prominent place among the great men of this century. He builded better than he knew. His monument will be in the enduring hearts of his grateful countrymen, and, as the years come and go, it will grow larger and greater and grander and brighter, until—

His deeds become his monument,  
Better than brass or stone;  
They leave his name on Glory's roll,  
Unrivalled and alone.

The Late Hon. William S. Holman.

#### REMARKS

OF

HON. NICHOLAS N. COX,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Thursday, July 8, 1897.

The House having under consideration the following resolutions:  
"Resolved, That the business of the House be now suspended that opportunity may be given for tributes to the memory of Hon. WILLIAM S. HOLMAN, late a Representative from the State of Indiana.

"Resolved, That as a mark of respect to the memory of the deceased, and in recognition of his eminent abilities as a distinguished public servant, the House at the conclusion of these memorial proceedings shall stand adjourned.

"Resolved, That the Clerk communicate these resolutions to the Senate.  
"Resolved, That the Clerk be instructed to communicate a copy of these resolutions to the family of the deceased."

Mr. COX said:

Mr. SPEAKER: I feel truly privileged in being permitted in this the House of Representatives of the United States to pay my humble tribute to the memory and worth of Judge HOLMAN. My personal acquaintance commenced in the Fifty-second Congress, but I had known of him long before I ever met him. He is a part of our history for the last thirty years.

What can a man say of a dead friend that expresses what he feels? What can a man say of a good great man who has faithfully served his people that does the dead statesman justice?

In our past we all have a great pride, and in our future great hope. Behind us our warriors lie buried, and the great leaders of civil and religious liberty have passed away. Yet I do not despair

that our country will not produce others just as worthy and great. There is but one rule I know of that is universal in its application in the proper governing of man's conduct, and that is absolute devotion to our convictions of duty. Whether these convictions arise in our family relations and extend to every relation, no higher rule can be found than "do our duty." If they arise in our relations with our country or people, no rule of action rises higher, and no conduct more worthy, than a true, full, and complete fulfillment of what is our duty. No man will make a failure who obeys it. No man will be great who breaks it. He may glitter for a while under false light, but eternal truth will unfold him. No man can be a good Representative who has no regard for the performance of his duties.

May I not ask every man who knew Judge HOLMAN if in all their knowledge they ever saw a more devoted man to his duties? A man made up and molded in the ideas of our fathers. A man cast in the mold of simplicity and truth. A man trained with the love of country hanging about him like a garment. Some say rugged truthfulness. Truth needs no adornment. Plain with his fellow-man. Sincerity needs no assistance. Plain in speech, but strong in truth, honesty, and devotion. He may not have had the beauty of words, when such beauty alone consists in their use, but he had that which is much better—courage behind what he said, and the good of his fellow-man at heart.

He served more years in this body than any man that has lived. He was worth his weight in jewels in protecting the purse of the nation. He lived, he worked here in this arena for over thirty years. In war and in peace, in prosperity and adversity, not one breath of suspicion ever touched his character. No charge of corruption was ever heard against Judge HOLMAN. No combines, no trades, no collusion ever controlled him. He lived to a ripe old age, and now we see him as a true patriot, a devoted father, a warm friend, and a legislator that any and all may emulate and be proud of.

Our old landmarks are falling fast. New influences are at work. Wealth and avarice are gods, and even where nothing but love of country should exist these serpents are stinging out our vitals. May we have bold, fearless, honest men like Judge HOLMAN to pull out the fangs of these cold enemies of human liberty.

#### The Tariff Bill.

#### SPEECH

OF

HON. JOHN F. SHAFROTH,

OF COLORADO.

IN THE HOUSE OF REPRESENTATIVES,

Monday, March 29, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. SHAFROTH said:

Mr. CHAIRMAN: I have listened to a good deal of the debate upon this question, and I must say to gentlemen on this side of the Chamber that I fear we are making the mistake of accentuating too much the tariff issue. You all know as well as I do that the American people care little about the question of the tariff. [Derisive cries on the Republican side.] Ah, gentlemen, you may say what you please, but as a matter of fact the only issue that is really before the American people is the issue between gold and silver.

You may say what you please, but we know that it is the continual shifting of the burdens that were formerly borne by both gold and silver onto gold alone that has increased enormously the burden upon gold, increased the demand for gold, and thus increased the value of gold; that as gold is the unit of measurement, its increase in value means its increased purchasing power, and its increased purchasing power means that it buys more. That means that the seller has to yield up more of the products of human toil for a given quantity of gold, and that produces the general fall of prices, which is really the cause of the prevailing distress throughout the world. It is this continued fall in prices that has produced ruin and disaster to business.

We believers in the restoration of silver have been trying for years to get a clear, distinct issue between bimetalism and the single gold standard, and it seems to me that a good deal of the discussion of the tariff question, at least on this silver side of the Chamber, might very well be dispensed with. For twenty years we have been trying to get this direct issue before the people, but one party would ride into power upon the cry of "high tariff," the other party would ride into power upon the cry of "low tariff,"

and the result has been that the true issue has been evaded by issues formed in Congress. I want the dust that has obscured the vision of the American people to be removed.

Mr. Chairman, the Republican party having elected their President, and having declared that a Republican tariff will restore prosperity, I for one am willing that they shall try it. I will not vote for it, but I will not obstruct its passage. I believe they ought to be given an opportunity to try it, and I believe that if this bill should be defeated either in the Senate or in the House, it would be the most disastrous blow that silver has received for ten years. Then the Republican party would go before the people and claim that we prevented prosperity. Again, the want of tariff would be the excuse for hard times, and again we might lose the battle. I believe, Mr. Chairman, that this should be distinctively a Republican measure, and that no one but Republicans should vote for it. I believe that the Republican party ought to be held responsible for it, and I protest that there ought not to be any obstruction thrown in its way by this side of the House. [Applause on the Republican side.]

We who formerly affiliated with the Republican party are small in numbers on this floor, but at the other end of this Capitol the seven Silver Republican Senators hold the balance of power; and in my opinion, Mr. Chairman, it is to the interest of all those who think that the cause of the prevailing depression is not to be found in either high tariff or low tariff that the Republicans should be allowed to pass their bill. In that way only will we be able to get a clear issue before the country between gold and silver. If this bill does the work promised by its friends, if it produces prosperity, well and good. We want prosperity, no matter how it comes; but we upon this side of the Chamber know that it can not produce prosperity. We know that the tariff is not the cause of these depressed times. We know that the seat of the disease is deeper than that. This being the case, it seems to me the wise thing to do is to let the Republicans enact their measure, and let it be tested.

We are willing to test our theory of bimetallism on that point, and when the Republicans pass a tariff bill and it fails to restore prosperity, then it will be impossible for them to avoid the issue between gold and silver in the next campaign. The march of events and not the logic of our cause is going to determine the result of the next election. As I have said, we have been striving for twenty years past to have that issue squarely presented, and by letting this bill pass we shall attain our object of eliminating the tariff question from the coming campaigns. I submit, gentlemen of the committee, that if the Republicans pass their bill and it fails to produce the results they predict—and we know it will fail—there is nothing under heaven that can prevent the next House of Representatives from being two-thirds for the restoration of silver. [Applause on the Democratic side.]

#### Protection and Silver.

#### SPEECH

OF

HON. FRANCIS G. NEWLANDS,  
OF NEVADA.

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 23, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. NEWLANDS said:

Mr. CHAIRMAN AND GENTLEMEN OF THE COMMITTEE: I propose to discuss this question from the standpoint of a Silver Party man, a member of that large organization of silver protectionists who in the last campaign formed an alliance with the Democracy and the Populists in the support of Mr. Bryan for the Presidency, an alliance which still exists, and which will continue, and which will eventually result in an amalgamation of the allied forces into one strong party, with bimetallism as the dominating issue, all other questions being subordinated to it, and the largest independence of action and variance of view upon other questions being permitted.

The question now arises upon this bill, What shall be the action of those allied forces? Shall they endeavor to combine in opposition to this bill, or shall they exercise liberty of conscience and independence of action according to their convictions with reference to this economic question? They are divided into free traders, those who are in favor of tariff for revenue only, those who are in favor of moderate protection, and those who favor a thoroughly protective policy. They have it in their power in the other

House by a union of action to obstruct this bill, and they probably have it in their power to defeat it.

On the other hand, the action of a few men belonging to the allied forces in the other House will result in the passage of this bill and the elimination of the tariff as a disturbing element in the future consideration of the bimetallic question. So far as I am concerned, I am free to say, protectionist though I am, that I would not hesitate a moment, if I felt I could advance the cause of bimetallism, to put the knife into this bill, to obstruct and defeat it. But I do not believe that this is the time or the opportunity for favorable results from any obstructive policy.

I believe that at the last election the people of this country declared in favor of protection, whatever they may have declared upon other questions. I believe that if the Democratic party had accepted the challenge of the Republican party and made the issue upon the tariff, they would have gone down in overwhelming defeat. As it was, they acted wisely, announced a truce regarding the tariff, made the money question the dominant issue, and almost snatched victory from the most desperate conditions.

I believe that the country has given the Republican party a contract for prosperity. They propose this as the sovereign remedy. Whether it will prove to be such or merely a palliative or quack remedy, time only will determine; but the people of this country, suffering as they are from the direst disaster, are, in my judgment, to be educated by events and not by arguments. I trust, therefore, that this bill will pass, because I believe it will clear the way for a calm, dispassionate consideration of the bimetallic question.

Having said this much with reference to the policy and the action of the silver men, I have something to say in reference to a financial and industrial policy, which in my judgment will alone secure an enduring prosperity and protect alike the factory, the farm, the plantation, the mine—a genuine American policy that shall protect every section, every class, every individual within our boundaries.

#### COMBINED PROTECTION AND SILVER LEGISLATION.

I believe in combined protection and silver legislation. I believe that both are essential to the prosperity of the country. I believe that the alliance of protection and the gold trust involves a contradiction. Protection means a raise in prices, or, at all events, a sustaining of prices by eliminating foreign competition. The gold trust means lowering prices; it means the appreciation of gold and a diminution in the value of products and property as compared with gold. So that protection and the gold standard involve two conflicting, contradictory forces, one operating to sustain prices and the other having the inevitable effect of lowering them.

If I could by my vote in this body or by my influence or voice aid in securing the passage of a measure that would give this country higher protection, adequate revenue, and at the same time the free coinage of silver, no effort of mine would be spared now and to-day to secure that result. But I do not believe that the temper of the country will stand the prolonged struggle which could alone bring about combined legislation. The country is in an experimental state. It has tried the repeal of the Sherman Act; it has tried the passage of the Wilson bill. It is now eager to accept the remedy proposed by the Republican party; and I believe in having the efficiency or inefficiency of that remedy demonstrated as quickly as due deliberation will permit.

#### PERIOD OF UNREST.

I have said that I believe in combined protection and silver legislation. We have had a very serious condition of things during the past three years—a period of unrest, dissatisfaction, and distrust. The cause for that was assigned by some to the incoming of a Democratic Administration and the tariff policy it inaugurated, by others to the repeal of the Sherman Act, by others to the lack of revenue, and by others to the diminution of protective duties. But we find that the roots of this discontent were fixed in the soil long prior to 1893.

Now, the Republicans here who allude to the years from 1890 to 1893 as the period of high-water mark in the prosperity of this country must admit there were elements of unrest prior to that time, for how was it that after the passage of the McKinley bill, during this very period of high-water prosperity in the New England and Middle States, the States of the West, the Northwest, and the Pacific Coast, States that had uniformly stood by the Republican party ever since their organization, sloughed off from the Republican party in 1892 and threw their support to Mr. Cleveland?

There must have been a condition of unrest and of dissatisfaction. What caused it? The lack of prosperity in the agricultural regions of this country, the low prices of farm products. So that we have here a period of comparative satisfaction and prosperity in the New England and the Middle States, and a period of suffering, dissatisfaction, and unrest in the agricultural States. What is the explanation? My answer is that the legislation of



this country upon the money question had caused the appreciation of gold and the diminution of the prices of products, and that the dislocation between gold and silver caused by the demonetization of silver gave to silver-standard countries in competition with our own an advantage in the production of farm products which was felt in the Liverpool market, where those products are sold and where their prices are fixed; for you all know that the price of the exportable surplus fixes the price of the whole. The Liverpool price of wheat and of cotton (differences in the cost of transportation being adjusted) fixes the domestic price of those products in this country.

#### BANKRUPTCY OF RAILROADS.

Now, since 1893 what has been the condition of this country? I think it is best illustrated by the condition of our railroads. Since 1893 44,000 miles of railroads in this country have gone into the hands of receivers. Some of them have gone out again through the process of "reorganization," so well known to Mr. Pierpont Morgan and his associates, but since 1893 44,000 miles, nearly one-third of the entire railroad mileage of the country, have gone into the hands of receivers.

Where are these railroads? I call attention to the map which I have had placed in front of the Clerk's desk. Upon that map those railroads are marked in heavy lines, and you see that they are almost entirely in the Southern, the Western, the mountain, and the Pacific States. You observe that the New England and Middle States have been measurably free from these railroad failures. Why was that? Simply because by our legislation we had raised a protective wall which protected the manufacturing industries of the New England and the Middle States, so that they have been able to sell their products in the protected markets of the South and West, and have accumulated large profits which they have deposited with their banks and trust companies.

They have loaned out these moneys to the South and the West, and so the New England and Middle States have gradually become not only the manufacturing States, but the creditor States of the Union, as distinguished from the farming, the mining, and the debtor States of the Union. Now, what has caused the distress of these railroads? You observe that they are confined to the cotton belt, the mining belt (which comprises six States and three Territories, one-third of the area of the entire country), and the wheat belt. You must admit that the distress of the people there is caused by the low prices of their products. You may say that the prosperity of a railroad does not depend on the prices of the products which it carries; that its prices for freight and transportation are inexorable, whatever may be the price of the products of its customers.

My answer is that while the effort of the railroads is to maintain an unvarying price for the service they render they necessarily fail in that effort. They must adapt themselves in some degree to the varying prices of the commodities produced by their patrons. But, in addition to that, a large portion of their prosperity depends upon transporting to their patrons the consumable goods from the factory and from the marts of commerce, and when the consuming capacity and the purchasing power of their patrons is gone they lose a large part of their revenue.

#### THE MINING AND FARMING REGIONS.

Now, so far as the mining region is concerned, which embraces this large area, the reason of the distress is apparent. The principal industry of those States is the mining industry. Silver mining is the basic industry of six States and three Territories, just as coal mining and iron mining are the basic industries of Pennsylvania; and when the prices of their product went down through the adverse legislation resulting in the gradual paralysis of the use of silver, general prostration ensued throughout that entire region.

The managers of these railroads, who conduct them mainly in the interest of the foreign holders of the gold bonds upon them, did not realize this. They wished to maintain the gold standard. They wished to maintain freights and other charges payable in gold, so as to pay the interest upon their gold debt. They did not realize that the mortgages upon these roads were really mortgages upon the communities which they served; that they had gold mortgages upon silver mines, and that, with the decline of silver mining, those railroads would go into the hands of receivers.

Such, however, was the result. Within sixty days after the repeal of the Sherman Act every transcontinental road, with the exception of the Southern Pacific, which taps the fertile valleys of southern California, yielding products capable of paying large freight rates to the railroad, went into the hands of receivers. The Northern Pacific, the Union Pacific, the Oregon Short Line, the Atchison, Topeka and Santa Fe, which serve not only the mining but the agricultural region, all went into the hands of receivers, and coincidentally with the decline of silver the prices of wheat and of cotton went down. So the earning capacity of these roads was lost, and 44,000 miles of railroad went into the hands of receivers within two or three years after the repeal of the Sherman Act in 1893.

Now, these are the facts. Although we may differ as to the cause, the condition of these railroads indicates the general prostration of the communities which they serve. Now, what do you propose to do? Raise this tariff wall higher to protect the manufacturing interests of New England and the Middle States. But, I ask, why are they suffering to-day? Their suffering has only become apparent within the last year. They did not realize before that there was a bond of sympathy which bound them to the mining, the cotton, and the wheat-growing States.

But they realize it to-day. They find that the consuming capacity and the purchasing power of these States have been lost. And you may raise this tariff wall as high as you want; you may have some beneficial effects from it in the restoration of the revenue of the country; you may have some beneficial effects from it in steadying this decline in wages which is now going on in New England and the Middle States; but you can not by that act restore the consuming capacity or the purchasing power of the Southern, the Western, and the mining States.

Now, let us consider what is the real cause of this fall in prices, for that is what this distress means; that is what the suffering means—simply a fall in prices. And in what are prices measured? Simply in money. And what, by the process of evolution through the past twenty-three years, has been made the only substantial money of the civilized world? Gold. So that it is low prices measured in gold that is causing the general prostration of this country.

#### APPRECIATION OF GOLD.

Now, let us trace the history of gold monometallism. We find that prior to 1873 three countries only in the world were upon the gold standard—England, Portugal, and Turkey. Those who contend that the gold standard was the cause of England's greatness will perhaps account for the general barbarism of Turkey and for the prostration and lack of enterprise of Portugal. In 1868 a new movement was inaugurated with reference to money, the result of the Paris conference, and in reading the proceedings of that body you will find that the general impulse which animated the members of it, according to the debate, was the desire to secure a universal money and a stable standard of value. And without much consideration—without any consideration of the quantitative theory of money—of the relation of the quantity of money to credits and values, they declared in favor of the gold standard because gold was a more beautiful metal, was more convenient to handle, and contained the greatest value in the smallest space.

So in 1873 the United States, led by some occult influence which no one has been able to explain, being then upon a paper basis, without silver or gold—when its silver mines were opening up in their abundance, as if Providence had presented a special benediction to aid us in the restoration of specie payments—inaugurated the crusade against silver and, in conjunction with Germany, went upon the gold standard.

Now, there is a great difference of opinion among the advocates of the gold standard as to whether or not gold has appreciated. I shall not take up time in a lengthy discussion as to this. But let me read to you the prediction of Dr. Linderman, at that time the Director of the United States Mint, an advocate of the gold standard, with reference to the effect then apparent and which he said would be more apparent in the fall of prices. On page 17 of Dr. Linderman's report for 1873, he says:

The countries adopting gold as the sole measure of value have, as a necessary consequence, assigned a subsidiary position for silver. This system increases the use of gold as money and decreases that of silver for the same purpose, or, in other words, enhances the value of the one and depreciates that of the other. While the demand for gold for coinage has materially increased, large quantities of silver hitherto in circulation as standard money in Germany, Denmark, and Sweden and Norway, and constituting treasury and bank reserves in those countries, will, by the substitution of the gold standard, be thrown on the market as bullion and aid in its further depreciation.

On page 21 of the same report Dr. Linderman says:

The gradual adoption of the gold standard, and consequent demonetization of silver, will, of course, be followed by an increase in the value of gold, or what is the same thing, a decrease in the price of articles measured by it. Indeed, it is quite certain that this effect is already perceptible in some portions of Europe. Be that as it may, however, it is safe to assume that Germany will soon have substituted three hundred millions of gold for silver heretofore used as standard money, and that Denmark, Sweden, and Norway will require nearly as much more, in consequence of changing their standard from silver to gold. Now add to the foregoing the requirements of France and the United States in the near future, and it will be readily understood that gold must appreciate in value.

Here, then, we have the statement as to the then existing conditions by a determined advocate of the gold standard and a prediction as to the consequences which would ensue in the future—a prediction which has been absolutely verified by events.

But our friends say that the production of gold has increased, and that this increase will do away with the difficulties created by the gradual discontinuance of the use of silver. Now, let us look at the condition of the gold stocks of the world to-day, with a view to determining whether or not this appreciation of gold is likely to continue or is likely to be diminished. And I propose, for my statistics, to rely entirely upon the report of the Director

of the Mint appointed by Mr. Cleveland—Mr. Preston; and certainly no one will accuse him of making statistics in the interest of silver or in the interest of bimetalism.

In his report, based upon statistics gathered from the most eminent statisticians of the world, he says that the total gold stock of the world is \$4,000,000,000. Now, it is an uncontested and an incontestable fact that this \$4,000,000,000 of gold could be put into a cube of 22 feet. A space 22 feet long, 22 feet wide, and 22 feet high will contain all the gold in the world—not the production of a single year, but the accumulation of the ages. And the question is now, Where is that cube of gold? In what countries are the different portions of it located, and what encouragement is there for countries that are attempting to introduce fully the gold standard to expect an increased amount? What encouragement is there for those that are now about entering upon this hazardous experiment? According to the mint director, \$2,000,000,000 of this gold, one-half of this cube of 22 feet, is actually located in England, France, and Germany, the creditor nations of the world, occupying the small space marked upon this map by this line in red.

Now, I ask you, if one-half of the gold stock of the world is absolutely required for the reserves of those three countries for their domestic exchanges, for the reserves which constitute the basis of their credit system, I ask you if the other half is enough for the rest of the world? But where is the rest of this money? Why, we find that about \$500,000,000 is in the United States and about \$500,000,000 in Russia. This makes England, France, and Germany, Russia and the United States the possessors of three-fourths of the entire gold stock of the world.

Now, what necessity is there for more gold? Are there any other nations that are seeking for gold? Why, you all know that we have not got gold enough yet in this country. We have been stranded three or four times within the past three years because of the deficiency of gold. The Baring Bros. failed in England in 1890. They invested too heavily in the Argentine securities. Credit was shaken in England. The bank reserves of gold had fallen too low. They had loaned out too much to the rest of the world, and they commenced to call it in. They fastened upon America, commenced to sell their securities and to withdraw the gold. Immediately a wave of contraction swept from New York to San Francisco, embracing every occupation, every industry, and every section. Again, when England differed with us upon the Venezuelan question, distrusted our foreign policy, and was disposed to show her lack of confidence in us by the withdrawal of gold, a selling of securities took place which immediately caused the greatest alarm in all the commercial centers of the Eastern States, and changed what had been a patriotic sentiment with reference to the time-honored Monroe doctrine into a miserable time-serving tory sentiment, such as that which existed during the Revolutionary war.

#### WILL THE STRUGGLE FOR GOLD CONTINUE?

Now, have the countries got through with their struggle for gold? Ah, we are told that this country must retire all its paper money, all its greenbacks, all its silver certificates and Treasury notes, which are construed by the Department to be demand notes for gold, and that we are to have bank currency substituted, with gold as redemption money. Did you ever think what a large reserve of gold would be required for this purpose, and do you realize that there is not a debtor nation in the world to-day, with the exception of the United States, that has any large amount of uncovered paper money out that has been able to maintain gold redemption?

The United States has only been able to do it by issuing gold bonds, which constitute really the premium for gold that this country has paid for the maintenance of the gold standard. That is true of Russia, struggling to get upon the gold standard; of Austria, struggling to get upon the gold standard; of Italy, Portugal, Spain, Brazil, Chile, all those nations which have got upon the gold standard or have signified their desire to do so, and are endeavoring to-day to secure gold with which to make gold redemption. In none of these countries are they able to redeem their paper money with gold. You have here, then, this extraordinary famine for gold, a gradual discontinuance of the use of silver, a gradual substitution of gold as the only primary money, the only money of redemption, the only money constituting a solid basis for the credit system of the various nations of the world. Can you wonder that every unit of that gold has gone up, and that every unit of products and property has gone down?

#### COMPETITION OF SILVER COUNTRIES.

Now, this has had another effect, and that is, the depreciation of silver has stimulated the competitive production of silver countries. Here I come to the most disastrous cause of the low prices of our cotton and of our wheat. It is easy enough to account for the prostration of our mining States. Silver has gone down, and so the basic industry of those States has been seriously impaired; but the cause of the lowering of the price of wheat and cotton is a little more remote, and you will find that its source is in the

competitive production of countries that are not upon the gold standard.

Now, what are those countries? First and notably, Argentina and India. This is the statement of all statisticians and of all consuls in foreign countries, and of travelers, that silver has maintained a stable purchasing power in the countries in which it is the money. In India silver will purchase as much of labor and of domestic products and domestic property as it ever would. Wages remained stable in silver countries. They are hardly conscious that gold exists; and so, whilst the gold price of silver has been steadily declining, they have not been conscious of it, and have been willing to accept the same old price for their wheat, their cotton, and their labor.

We have, then, these countries competing with us in the Liverpool market for the sale of their farm products. The old price of silver was \$1.29 in gold. That ounce of silver for years would buy a bushel of wheat in India. The Liverpool merchant was accustomed, until the recent famine in India, to buy silver from our discredited, mines, 2 ounces for \$1.29 in gold, and with it to get 2 bushels of wheat where he once got 1. The result is that the American farmer is compelled to compete with the Indian farmer in the Liverpool market and must come down to the same relative price in gold, and he has been compelled to accept 65 cents a bushel, or less, for his wheat; and so it has been with cotton and other farm products.

But we were told during the last election the price of wheat went up whilst the price of silver went down. This only proves the contention as the exception proves the rule. Recollect that we had been suffering from the competition of silver countries. The wheat famine in India destroyed the competition of that country, so that our wheat went up. This competitive cause being removed, the English merchants could not buy Indian wheat, and had no occasion to buy American bullion with which to pay for it; and so the market for our bullion was diminished and our silver temporarily went down. Should the wheat crop of Argentina fail, similar results would follow, wheat would go up, our silver would go down. But restore the old conditions, restore the normal product of the silver countries, and you have the old competitive force still at work, and the price of wheat, cotton, and other farm products sympathetic with the price of silver, and gold absolutely dominating the price of the farm products in this country.

#### MANUFACTURING COMPETITION.

I wish to ask you what hope is there if we continue in this line? Recollect that we have thus far met only the agricultural competition of silver countries. The manufacturing competition of these countries is now being stimulated by the maintenance of the low value of silver. It is easily accounted for. England was supplying the entire Orient with manufactured goods. The people of the Orient were accustomed to change their silver into gold at the old ratio of 15½ or 16 to 1. They now find that they are compelled to surrender twice as much silver as they did for gold in order to pay for foreign products imported into those countries. They have been reluctant to turn their silver into gold at this great loss; and so domestic production has been stimulated, and the construction of cotton mills, woolen mills, and silk mills has been going on in these silver-standard countries—in India, in China, in Japan, in Mexico—and all of them show the most startling evidences of prosperity as compared with the prostration of gold-standard countries.

I ask gentlemen, what country will the manufactured product of the cheap labor of the silver-standard countries, made doubly cheap by the depreciation of silver, first attack? The country of the highest wages. You are to-day erecting a tariff wall around the United States for the purpose of protecting us against the cheaper European labor, whose countries are upon a gold standard. What tariff wall can you erect short of absolute exclusion—and that is, of course, impossible—against the manufactured products of the cheaper labor of the silver countries, made doubly cheap by the decline of the gold price of silver?

For my part, I believe that the daily wage rests at the foundation of all values in this country. I believe that all values of all properties depend for value on the maintenance of the daily wage. It is the daily wage that enters into every product and property. Products and property simply represent stored labor, and when you lower wages, you lower every value, you lower the price of every product and the price of every class of property in the country, because other products and other property can be produced or constructed under the lower wage system at a great advantage and for a less price. Hence stability of values depends upon the maintenance of the daily wage.

It is for that reason that I am a protectionist. I realize the fact that the only way to protect this country against the competition of the cheap labor of Europe is to place a tariff wall around the country which will partially exclude that competition. That is how we secure protection for the factory. But, I ask, how can you secure protection for the factory if this bill is simply designed



to protect us against the labor of European gold-standard countries, when the production of silver-standard countries is increasing at a prodigious pace, and their competition is being made more and more effective day by day, as the gold price of silver declines?

#### TRUE PROTECTION.

What does true protection for this country mean? It means that we should protect every section, every interest, every class in it; that if there is any danger from the competition of cheaper labor—and all must admit it—we must protect against the competition of the Orient as well as against the labor of Europe; we must protect against the labor of Mexico, the labor of Japan, and the labor of India as well as against that of England. Otherwise you have what? You have a reduction of wages in this country to meet the competitive rates of other countries. You have a readjustment of all values; and I am sure that all of us have had enough experience during the past three years of the suffering and distress that are brought about by readjustments.

I admit that the world will go on under almost any economic condition, but it is this process of readjustment that tears the heart out of the generation in which the readjustment is accomplished. What we wish to do now in this country is to stay the fall of prices, to protect all our industries; to protect the factory, to protect the plantation, to protect the farm, to protect the mine.

How can you accomplish it more readily than by restoring silver to its old parity with gold? By doing that you double the labor cost of the farm products of the silver countries; you double the labor cost of the manufactured products of those countries; you paralyze the competition which has been so effective in the recent past, so far as our farms and plantations are concerned, and you paralyze the destructive arm that is now being raised against your manufacturing industries.

Now the question comes up whether bimetalism can be restored. I have not time to consider the question at length. I only wish now to relieve it of its exaggeration. The question is, first, whether international action can be secured, and if not, whether the United States alone can fix the gold price of silver, whether the United States can, by an increased use of silver, restore its value to its old parity with gold, for I wish to deny most distinctly that the silver men are in favor of a 50-cent dollar. Those who maintain the present system believe in 50-cent dollars, but we believe in restoring the value of silver, so that 100 cents of silver will be worth 100 cents of gold and the gold will be the equivalent of the silver and the silver of the gold.

#### AN EASTERN MISAPPREHENSION.

It is not intended to pay debts with 50-cent dollars or to drive away gold or to debase our currency. Our purpose simply is, by increasing the coinage and use of silver and by giving it equal privileges with gold, to raise its value, and by diminishing the strain on gold which gold monometallism has caused to take away its unjust appreciation, and thus by putting up the value of silver and pulling down the value of gold to restore the old ratio, so that 16 ounces of silver will be worth (in bullion as well as in coin) 1 ounce of gold. Thus the old unit of value—the dollar—based on both metals instead of one, will be restored and we shall have a gold dollar worth 100 cents in silver and a silver dollar worth 100 cents in gold.

If you ask why this rate is determined upon, our answer is not only that that has been the customary ratio for years, but also that the total stock of silver coin in the world is \$4,000,000,000; that the total stock of gold coin is approximately the same, and that if the total stocks of silver and gold were each melted into a solid mass, the silver mass would be about sixteen times as great in weight as the gold mass. We also answer that to-day the relative production of the two metals is approximately in the same proportion. We must establish by law some relation of value between the two metals. And we propose to value silver as it will stand after restoration to equality of privilege with gold, and not while it is discredited by unequal laws.

#### ADVANTAGE OF BIMETALLISM.

The advantage of restoration of bimetalism is apparent. It will not only give the world an increased volume of currency, proportioned to the increase of population and to the extension of business, commerce, and enterprise, but it will do away with the dislocation of exchanges that has existed between the gold-standard and silver-standard countries, a dislocation which has immensely stimulated the production of silver-standard countries in farm products, and which is about to stimulate their manufacturing production, to the injury of the gold-standard countries. Our wheat fields and our cotton fields have already felt the force of silver-standard competition, for the prices of oriental and other silver-standard countries—always stable in silver—have declined in gold, just as gold has appreciated.

The value of our exportable products with which we pay our debts has constantly declined. We propose by restoring the old gold price of silver to restore the old gold price of our farm products, and to change the balance of trade from an adverse balance

to a favorable one. That this ought to be accomplished every one admits.

#### INTERNATIONAL CONFERENCES.

The Republican party, by its plea for international adjustment, admits that gold monometallism is a bad thing, and that bimetalism a good thing, but it claims that bimetalism can only be restored by international action. I shall not dwell long on this aspect of the question. It is sufficient to say that the Republican party limits our negotiation to the leading commercial nations, England, France, and Germany. While the agricultural and manufacturing classes of those countries are friendly to bimetalism, and while parliamentary resolutions favoring bimetalism have been passed in each, France and Germany both declare that they will not act without the cooperation of England, and England, through the ministry of both her political parties, has declared her unalterable purpose to adhere to the gold standard.

#### ENGLAND'S CONTROL OF GOLD.

The reason is apparent. The great advance of gold monometallism has given England the control of the credits of the world. Her people now own in bonds of other countries an amount aggregating many times the total gold stock of the world. England is built up. Her narrow limits will not permit much increase of population. Her local property can not be much increased in value. By her manufactures and her extended commerce she has invaded every country with her forces of industry and enterprise, and she has accumulated the gold of the world, and she now loans it over and over again to the countries from which she has made profit. Her wealth consists mainly in credits, and the creditor class has become the dominating power. England has always been a class-governed country. The land-owning class, once so controlling, gave way to the manufacturing class under the leadership of Cobden, and the corn laws prostrated the agricultural interests. The manufacturing class has now yielded to the creditor or banking class, which to-day dominates the councils of England, fixes her policies, and enters her decrees.

The friends of bimetalism stood expectant when Balfour came into power. They now realize that shackles have been imposed upon his limbs, and that he is powerless to aid the cause which he so brilliantly advocated. What arguments can we use to abate England's purpose? That the amount of gold in the world is too limited for the world's business? Her answer is that her people own almost all the gold in the world; that they have enough and a plethora, and out of their abundance loan it to other nations on bonds and mortgages. Will you say that gold appreciates and that products have diminished in value? Her answer will be that she desires its appreciation. Will you say that the appreciation of gold has stimulated the production of silver-standard countries, and that their competition has lowered the gold price of all farm products? Her answer will be that she raises but little of these; that she buys, and that the cheaper she buys the better.

Should we point to the land-owning class in England, the burdens of which have become almost intolerable, her answer will be that some interests must suffer in pursuing a great national policy, and that the English Government will stand as heretofore for the interests of the governing class of the country, the class which subordinates every subject of domestic and economic policy to the desire of maintaining a constantly increasing control over the products of labor throughout the world by a system which makes her a controlling power in peace and war, a partner without risk in all enterprises, and the absorber of the profits of world-wide production.

To this policy of enlightened selfishness no man who knows the controlling motives of both nations and individuals can oppose rational objection. We do not object to English policy on English soil. We object to an English policy on American soil.

#### AMERICAN POLICY.

England's wealth consists in gold; our wealth consists in property and products. England is a creditor nation; the United States is a debtor nation. England is interested in having money dear and products cheap. We rely on good prices for our products in order to pay our foreign debts. England proposes to pursue a policy which will increase the value of the gold that she owns. Ought not we to pursue a policy which will increase the value of the property we own and of the products which we export? Do the imitators of the English policy in this country realize that there is a difference in interest between the buyer and the seller, between the creditor nation and the debtor or producing nation? What should be our policy? Why, to increase the use of silver and in that way increase its value so as to restore its old parity with gold.

We find that the dislocation between gold and silver has given the advantage in production to countries that are not on the gold basis; that their farm products (the prices of which are stable in silver, although reduced in gold) are competing with ours in foreign markets to our disadvantage, and that their manufactured products, produced at a labor cost stable in silver but reduced in gold, offer a menace in the future to our home manufactures, protected though they be by tariff laws. We have at stake the

interests of the great debtor nation of the world; of a nation yielding the greatest amount of farm products in the world—farm products on which we rely for the payment of our foreign debts and the prices of which have been driven down in gold as silver has fallen.

The Republican party proposes to confine our bimetallic negotiation to but three countries—England, France, and Germany—whose interests as gold-owning and creditor nations are directly opposed to our interests, while it ignores the numerous debtor and producing nations with which an effective alliance might be made for the increase of the use of silver.

#### WHERE IS THE GOLD?

Where is the gold of the world? Refer to the Mint Director's report and you will find that of the four thousand million dollars of gold in the world, all of which if melted would occupy a cube of only 22 feet, one-half is actually located in England, Germany, and France. Look at the registered list of bonds and mortgages and you will find that the other half, though scattered in other countries, is tied by the string of bond or mortgage to those three creditor countries, so that it may be drawn away at any time from debtor countries, thus prostrating their business and imperiling their finances. So that instead of devoting their time to the uninterrupted production of wealth, their energies are wasted trying to catch gold on the fly. Think of it! One-half of the gold of the world actually needed for the local business of those three countries, hardly discernible in the vast area of the earth's surface, and yet our monometallic friends tell us that the other half is sufficient for the business of the rest of the world, occupying a vast area of country and having a population twelve times as great as that of the three combined.

All agree that the competitive use of silver in the world's exchanges should be restored. The Republican party proposes that we shall limit our negotiations only to the beneficiaries of the gold monopoly, and that we shall not apply to the victims of that monopoly for assistance or aid. Was monopoly ever beaten down by such methods?

In transportation the victims of monopoly resort to a competitive road. In public lighting the victims resort to a competitive gas or electric light company; but according to the doctrine of the Republican party, the victims of the gold monopoly, who so greatly outnumber the beneficiaries of that monopoly, are not invited to join us for common defense and protection, but in place of that the United States, the victim suffering most of all, stretches out the hands of diplomatic persuasion to the countries whose monopoly it seeks to break down. Was monopoly ever impaired by persuasion addressed to the monopolist?

Had the Republican party proposed, instead of confining its negotiations only to three countries that have a plethora of metallic money, to call a conference of the debtor and producing nations of the world whose stocks of metallic money (both gold and silver) are small and which have been compelled to issue large amounts of depreciated paper money because of the scarcity of metallic money, we would then have a contemplated arrangement with countries whose absorbing capacity for silver would be great. The first step, however, toward such a union is the courageous action of this country. Let that action be taken and we will have the intelligent cooperation of Russia, Austria, and other European nations that have made ineffectual attempts by the accumulation of gold to provide for gold redemption, all of whom know that their accumulated gold would slip out of their boundaries like water out of a sieve if gold redemption were attempted. For it is a singular fact that there is not a debtor country in the world that has been able to maintain gold payments of its paper money, except our own, and we accomplish it only with bond issues, which in reality constitute the premium paid for gold.

#### NATIONAL ACTION.

But enough of international conference. It has simply been used as a club to beat down national action on the silver question. Are we not, gentlemen, exaggerating the difficulties of the task before us? Remember that in order to restore silver it is only necessary to absorb the current product of the mines. The accumulated stock is in the shape of coin bearing the stamp of various governments, and it is absurd to assume that the owners of such coin will send it here simply to receive the American stamp. Silver coin it is and silver coin it would remain. There is no surplus anywhere in the shape of bullion, for the bullion in our treasure vaults is constructively coined and is represented by silver certificates and Treasury notes now in circulation.

The current product of the mines is now all absorbed in current uses—in the arts, in coinage, and for other purposes. Any demand that we create would be a new demand, and would have a tendency to increase the value of the current product.

But we are told that increase of value will increase production. Of course no man can foretell what the production of silver will be, but the best test of the limitation of the future is the limitation of the past, and we all know that all the silver coin in the world—the result of silver mining for ages—can be put into a cube of 66 feet. The world has never produced enough of metallic money.

The fact that to-day over one-fourth of the money of the world is uncovered paper money proves this.

#### INCREASED USE OF SILVER.

Now, what increased use can you suggest for silver in this country that will increase the value of the product of the mines? Our per capita circulation is currently stated to be \$22 to \$25. Our population is increasing at the rate of over 2,000,000 a year. It would take between \$50,000,000 and \$30,000,000 a year to maintain the present per capita so long as the population increases at that rate. But is a per capita circulation of \$25 sufficient? Such a per capita circulation might be sufficient for a creditor nation like England, whose area is limited, whose population is dense, whose exchanges are easy, and whose ability to increase her coin reserves is made easy by the great debts owing to her people. But certainly it is not sufficient in a vast debtor country like this, with its immense area, its scattered population, and its limited methods of exchange. If we should increase our per capita to \$30, we would have to coin \$70,000,000 a year for five years.

Besides, our national-bank circulation has been gradually contracting and is bound to be withdrawn altogether when the balance of trade is restored in our favor by good prices for our products and the surplus of revenue is applied to the national debt. It will take \$40,000,000 a year for five years to take the place of the national-bank notes, so that we have here an increased demand for silver of nearly \$200,000,000 in this country, without any inflation or expansion beyond a per capita of \$30. This demand is equal to the entire current product of the mines, which is already exhausted in current use. Can any man say that a new demand of such magnitude shall not restore the old parity? And if the old parity is restored, will not this talk about 50-cent dollars and a debased currency entirely cease? The gold monometallics propose to maintain this parity by the redemption of silver in gold. We propose the rightful method of restoring parity by increasing the use and consequently increasing the value of silver, and by restoring its time-honored use as money of redemption equally with gold.

#### SILVER PRODUCTION EASILY CONTROLLED.

But suppose the fears of our alarmist friends are realized, and that nature, instead of exposing her silver treasures as she has done in the past, gradually and progressively to meet the wants of the world for money, should expose it in large abundance, is not this a matter of easy control? Recall that silver mines already existing will soon be exhausted. The Comstock lode in my own State, which alarmed all Europe, is now reduced in its production to \$500,000 per annum. The mines of the future are in the ungranted mineral lands of this country and Mexico, for remember that Mexico and the United States produce two-thirds of the silver of the world. Will it not be easy to limit those grants, either by exacting royalty or by total withdrawal, so that the silver stores of the future may not be unduly drawn upon for the present, and the calm and equal production of silver commensurate with its use may be established and secured?

#### THE AREA OF DISTRESS.

For three years you have been on the gold standard. Do you like it? For twenty-four years you have waited for international action. Can you wait longer, and who are to take the lead in this reform—the beneficiaries of the gold monopoly or its victims? And who are the victims? Look on the map of your country and mark the area of distress as indicated by the railroads that have been placed in the hands of receivers since 1893, comprising nearly one-third of the entire mileage of the country. You will find it in the mining belt, comprising six States and three Territories, whose basic industry, with which all their industries, agricultural, commercial, railroad, and banking, were correlated, is suffering from the decline of silver. Mark the wheat belt of the Northwest and the cotton belt of the South and you will find that in those areas devoted to mining, to wheat raising, and cotton growing more than one-half of the local railroad mileage has gone into the hands of receivers since 1893.

Low-priced products will not stand high rates. Producers who produce at a loss can not buy goods that require transportation, and so the railroads have suffered in the transportation of the products of the region through which they pass and of the goods which they return to the producers in exchange. The gradual fall in the price of silver has for twenty years seriously affected the Western and Southern States, as their products have been compelled to compete with the product of silver-standard countries, the prices of which, stable in silver, have gradually gone down in gold until their price is now one-half of what it used to be.

#### THE EAST WILL ALSO SUFFER.

It is true that the New England and Middle States suffered but little until 1893, and then largely because of diminished markets in the South and West and loss from their railroad securities and other interests in the South and West. They suffered the least because they were creditor States whose margin of security did not disappear until 1893, and also because they were manufacturing States whose industries were protected against cheap European labor, thus enabling them to monopolize the home market. They have not yet suffered from oriental competition, for the



manufactured production of those countries, stimulated by the appreciation of gold, has thus far met only the requirements of the local markets, although it has seriously affected English and German manufacturers who used to supply such markets, but the Eastern States will soon suffer from oriental competition. Japanese production is looking out for American markets, for their products will naturally seek a country whose labor cost is the highest. No tariff short of absolute exclusion will protect the Eastern States against this invasion, and exclusion is impossible, for the Western and Southern States will not consent to a policy which surrenders their products to the competition of silver-standard countries whilst it protects from such competition the manufactured products of Eastern States. It is evident that, with a view to protect the products of this country, whether from the farm or the factory, against the products of silver-standard countries, our policy should be by increasing the use of silver to pull up its value, and thus by the use of a competitive metal to pull down the value of gold. By doing this we will take away at least half of the efficiency of the competing labor of silver-standard countries.

We therefore claim that the free coinage of silver at the ratio of 16 to 1 by this country is practicable; that it will restore the old relative value of silver and gold, release this country from dependence upon foreign gold, impair the competitive efficiency of the cheap labor of silver-standard countries, restore the value of our agricultural products with which we pay our debts abroad, and save this country from a manufacturing competition that will prove destructive. This question has not been fought out in the manufacturing States of the country as it has been in the mining camps, but the manufacturers of this country will learn that their interests are in common with those of the general producers of the country, and the oriental competition which has been so destructive to the farmers will, in the end, be destructive to the manufacturers.

We hope to see the wheat interests and the mining interests, the cotton interests and the manufacturing interests united against the opponents of bimetallism. For recollect that it is the dealers in money, the dealers in products, and the carriers of products that have made a union against the productive energies of the country, whether those productive energies are displayed in cotton and wool manufactures in the New England and Middle States, the iron and coal industries in Pennsylvania, and the cotton industries of the South, or in the mining of silver in the great West, and we may rest assured that this country will in time pursue a policy of enlightened self-interest. It will realize it is to its interest as a producer of over one-third of the entire silver of the world, as the greatest debtor nation of the world, as the greatest producing nation in the world, to stop the appreciation of gold, to stop the increase in value of every unit of this four thousand millions in gold, whose present home is in three foreign countries. And with the change will come beneficent results not only to producers, but to the banking, mercantile, and railroad interests, which are now so steadily opposing us. They will realize that their prosperity is based upon the general prosperity of the entire country, and that the prosperity of this country can not continue so long as debtor and producing nations recognize gold as the only money metal, and by their action build up its value and increase its control over the products of labor.

Into this work the Silver party enters, animated by no sectional spirit, controlled by no feeling of envy against the more prosperous, but inspired by the desire to maintain a broad American policy which shall protect the interests of American production, whether in the mining camps of the mountains, the wheat fields of the West, the cotton fields of the South, or the factories of New England.

### The Tariff.

### SPEECH

OF

HON. ANDREW J. HUNTER,

OF ILLINOIS,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. HUNTER said:

Mr. SPEAKER: As this extraordinary session has now reached its closing hours, I regard it the duty of every Democrat upon this floor to emphasize the ultraism of the legislation now almost consummated. For more than four months we have been in session, ostensibly to conserve the best interests of all the people and create such laws as would secure to them in the future immunity

from the remorseless grasp of monopoly and trust robbery. But, instead of making laws for the people, the majority in this Congress, with the whole power of the Administration, has been consumed and exerted to destroy every interest of the laboring man and the farmer and build up a colossal money power.

The herald of fraud and deception announced to the country six months ago that the new President would come with healing in his wings and that prosperity would gladden every home. What has the President done to redeem any of these pledges? Nothing.

What have the Senate and House done to relieve the people of their burdens? Nothing.

No legislation has ever been proposed by them to relieve the necessities and wants of the people.

The Presidential office has been substantially abdicated, and we now have a general business manager who arranges all matters of legislation and diplomacy.

Secret meetings are being held by the trusts, corporations, and other bosses daily and nightly to influence legislation in their interests.

I believe that the legislation on this tariff bill is controlled absolutely outside and independent of the Senate and House by less than thirty interested gentlemen. The people and their representatives are not allowed to know what is going on and what this Administration is doing or is going to do. There is a studied effort, seemingly, upon the part of the managing party of this Congress to conceal every movement in the creation and construction of this bill. Hide-and-go-seek has been adopted as the new method of governing the people of this country.

The Republican portion of the Committee of Ways and Means go to their room and close the door, bolt every Democratic member out there in secret, patch up what they call a revenue bill; then come into this House, adopt an arbitrary rule denying to the people's representatives the right to examine and discuss the product of their deliberations. Under this gag process they pass the bill, send it to the Senate; then to conference; close the doors again against every Democratic member of the conference committee; and in this ex parte way force upon the people of the United States partisan laws fraught with all the schemes of human selfishness.

Behind these bolted and barred doors the American people are not allowed to go within this charmed circle, and no ordinary Republican is allowed within these sacred precincts unless he has been examined and accepted by the inspectors of the trusts, corporations, and syndicates. They have to be men who are willing to tax the millions for the benefit of the few.

Here is a secret conclave of eight men, presuming to fix the amount of gratuities, under the name of taxation, that 14,000,000 taxpayers have to pay to 600 trusts, corporations, and individuals.

Mr. Speaker, this bill is not intended to raise revenue to pay the expenses of the Government, to help the farmer, aid the laboring man, and stimulate legitimate trade and business of the whole country.

It is not the intention of its authors to bring prosperity to the homes of the toiling millions, those that produce the material wealth of the country. It is limited and specific in its application and effect.

It is for the protection of classes, that they may collect millions of bounties from the consumers of their goods.

If it had been innocently created as a revenue measure, its logical and natural effect would be the same—to foster trusts and combinations that rob the people under its provisions.

As absolute proof of this conclusion, let us examine a brief list of the corporations, trusts, and gentlemen that enjoy the lion's share under this bill. Here is the protection that is given by this bill to the men who subscribed to the Republican campaign fund last fall:

Trust.	Proposed protective duty.
Anthracite coal (bituminous competes) .....	67 cents per ton.
As .....	45 per cent.
Barbed wire .....	2½ to 3 cents per pound.
Biscuit and cracker .....	20 per cent.
Bolt and nut .....	1½ cents per pound.
Boiler .....	45 per cent.
Boot and shoe .....	25 per cent.
Borax .....	6 cents per pound.
Broom .....	40 per cent.
Brush .....	Do.
Button .....	47 to 78 per cent.
Carbon candles .....	20 per cent.
Cartridge .....	Do.
Casket .....	35 per cent.
Castor oil .....	35 cents per gallon.
Celluloid .....	65 cents and 25 per cent.
Cigarette .....	44 per pound and 25 per cent.
Condensed milk .....	2 cents per pound.
Copper, ingot .....	Free.
Copper, sheet .....	Do.
Cordage, binding .....	10 per cent and 1 cent per pound.
Crockery .....	55 per cent.
Cotton duck .....	35 per cent.
Cottonseed oil .....	4 cents per gallon.

Trust.	Proposed protective duty.
Cotton thread.....	6 cents per dozen.
Electric supply.....	45 per cent.
Envelope.....	20 per cent.
Flint glass.....	45 per cent.
Fork and hoe.....	Do.
Fruit jar.....	Do.
Galvanized iron.....	0.91 to 1 1/2 cents.
Glove.....	35 to 71 per cent.
Harrow.....	30 per cent.
Harvester.....	Do.
Hinge.....	14 cents per pound.
Indurated fiber.....	35 per cent.
Lead.....	21 cents per pound.
Leather board.....	35 per cent.
Lime.....	5 cents per 100 pounds.
Lined oil.....	20 cents per gallon.
Lithograph.....	20 to 41 per cent.
Locomotive tire.....	14 cents per pound.
Marble.....	\$1.50 per cubic foot.
Match.....	8 cents per gross.
Morocco leather.....	10 per cent.
Tomestone.....	50 per cent.
Trunk.....	35 per cent.
Tube.....	2 cents per pound.
Type.....	25 per cent.
Umbrella.....	50 per cent.
Vapor stove.....	8 to 10 cents per pound.
Wall paper.....	35 per cent.
Watch.....	35 cents to \$3 and 25 per cent.
Wheel.....	35 per cent.
Whip.....	Do.
Window glass.....	1 1/2 to 2 1/2 cents.
Wire.....	11 to 2 cents.
Wood screw.....	4 to 12 cents.
Wool hat.....	40 cents per pound and 55 per cent.
Wrapping paper.....	25 per cent.
Yellow pine.....	\$1 per M feet.
Petroleum.....	Free.
Pearl barley.....	2 cents per pound.
School books.....	25 per cent.
School furniture.....	35 per cent.
Sewer pipe.....	25 per cent.
Shot and lead.....	21 cents per pound.
Skewers.....	35 per cent.
Smelters.....	40 per cent.
Snathes.....	35 per cent.
Soap.....	20 to 50 per cent.
Soda-water machinery.....	45 per cent.
Spool bobbins and shuttles.....	35 per cent.
Sponge.....	40 per cent.
Starch.....	14 cents per pound.
Steel.....	45 per cent.
Steel rail.....	\$6.72 per ton.
Stove board.....	45 per cent.
Straw board.....	30 per cent.
Structural steel.....	5 to 10 cents per pound.
Sugar.....	1.95 cents per pound.
Tassel.....	30 per cent.
Tin plate.....	1.4 cents.
Oatmeal.....	1 cent per pound.
Oilcloth.....	35 to 50 per cent.
Paper bags.....	35 per cent.
Pitch.....	Free.
Plate glass.....	8.55 cents per square foot.
Pocket cutlery.....	100 per cent.
Powder.....	4 to 6 cents.
Preserves.....	35 per cent.
Pulp.....	\$1.50 to \$5 per ton.
Rice.....	2 cents per pound.
Rubber (gummed).....	50 cents and 55 per cent.
Rubber (general).....	30 per cent.
Safes.....	45 per cent.
Salt.....	12 cents per 100 pounds.
Sandstone.....	50 per cent.
Sanitary ware.....	55 per cent.
Sandpaper.....	35 per cent.
Sashes, doors, and blinds.....	Do.
Saws.....	12 to 50 per cent band.
Lard.....	2 cents per pound.
School slate.....	20 per cent.
Gas.....	Do.
Whisky.....	\$2.25 per gallon.
Nails.....	4 to 1 cent.
Wrought pipe.....	2 cents.
Stoves.....	8 cents per pound.
Coke.....	20 per cent.
Reapers and mowers.....	Do.
Thrashing machine.....	Do.
Plows.....	20 per cent.
Glass.....	45 per cent.
White lead.....	21 cents per pound.
Inte bagging.....	Free.
Lumber.....	\$1 per M feet.
Shingles.....	30 cents per M.
Beef.....	2 cents per pound.
Felt.....	40 cents and 55 per cent.
Lead pencils.....	45 cents per gross and 25 per cent.
Watches and cases.....	\$3 and 25 per cent.
Clothes wringers.....	45 per cent.
Carpets.....	25 cents and 40 per cent.
Dental tools.....	45 per cent.
Lager beer.....	20 to 40 cents per gallon.
Milk.....	2 cents per gallon.
Patent leather.....	30 cents per pound and 10 per cent.
Flour.....	25 per cent.
Bread.....	20 per cent.

This Congress was called together for the sole purpose of passing a law that would compel the toiling millions to pay back to these gentlemen the money they had advanced to secure a Republican victory last fall.

This law will not only reimburse these gentlemen the sixteen millions expended, but it will enable them to collect from their customers in excessive prices more than \$250,000,000 annually and prepare them with a fund that they may use to perpetuate their power through the machinery of Republican legislation.

These protected gentlemen can now well afford to give to the national Republican committee a receipt in full for all their advancements.

Mr. Speaker, this Administration stands for nothing but greed, extravagance, and the protection of the wealthy and powerful. Cuba, to-day, is in the grasp of a cruel despotism; her cries for liberty and free government are disregarded by a Republican Administration, because this Government does not dare to displease the Spanish bondholders and impair the value of their securities.

Belmont, Morgan & Co. and the Rothschilds must have their gains if hundreds of thousands of patriots upon that beautiful island shall perish in the cause of liberty.

We are told that this bill must be enacted into law not for the reasons heretofore assigned by our Republican friends, that we must prohibit imports and increase our export trade, for that day has come under the Wilson bill. We are now having the greatest export trade in our history.

The fiscal year of the United States Treasury Department closes with the 30th day of June, and the official statement of the exports and imports for the year just ended breaks the record in several important particulars.

The total exports of merchandise for the year were \$1,051,987,091, the largest in our history. The nearest approach made to this was in 1892, when the total volume of exports of all kinds was \$1,030,278,148. The volume of exports of domestic merchandise in that year was \$1,015,732,011, while last year these exports amounted to \$1,032,996,880.

The excess of exports over imports last year was also the greatest on record, amounting to \$287,613,186, the largest previous balances having been \$264,661,666 in 1879 and \$259,712,718 in 1878. In 1892, the record year in exports, the balance of trade in our favor was only \$202,875,680.

If these figures prove anything, they prove that in its relation to trade the Wilson tariff is not a "failure." They show also that the people of the United States are laying the foundation for an improved condition of affairs in the near future if Congress shall not interfere to prevent it.

All the prophecies and pretenses of our Republican friends have gone to wreck and ruin under the test of time and experience. They will have to invent new methods of deception in the future.

This Congress is now closing on a measure which assumes that the American people and American genius can not compete with the people of Europe in the production of the necessary articles of the highest civilization. This I deny. We are to-day shipping the product of American handiwork, the products of agriculture, in greater quantities than at any previous time in our history, under the inspiration of the advantages given to the people by a comparatively low tariff.

This Dingley bill will, by increasing the value of coal, iron, and lumber to our own people, cut off a large share of our export trade that we now enjoy.

Let us for a little while turn to the laboring men who have lost faith in the theory that high taxation makes high wages. Just now, while the Republican party are forcing through Congress a tariff higher than ever before, under the false plea that it is solely for the benefit of the laboring man, hundreds and thousands of honest men have gone out on a strike to try to force employment at wages that will arrest the demon of hunger that is now at their doors.

If the protective doctrine were half true, all that these laboring men would have to do to secure high prices and plenty of work would be to wait two or three days.

At last it is being borne in upon the popular mind, through hardship, that neither a protective tariff, a revenue tariff, nor absolute free trade can bring prosperity to the masses while the natural resources of the country are monopolized, while production and prices are controlled by trusts, and the railroads of the Union, the combination with those trusts, are empowered to dictate who shall and who shall not do business.

The grip of greed is on the country—a greed that is only intelligent enough to see where immediate profit lies and remains blind to the necessity for the general well-being on which the well-being of capital itself in the long run depends.

It is labor that is suffering most now. But nobody except the millionaires of the trusts and their hangers-on is satisfied with things as they are.



The new tariff will be tried and it will fail. Then the revolt against the paralyzing trusts, in whose interest alone tariff has been devised, will become general. There can be no genuine prosperity for either workmen or business men while the trusts own the country and rule and rob it and destroy one-half of the primary money of the people.

A measure conceived, as the Dingley bill has been, in the count-ingrooms of the protected monopolists could not fail to deceive the working classes and the farmers and be condemned by the Democratic party and all those who desire the welfare of the whole people.

The sole purpose of this legislation is to secure the highest tribute to the trusts and protected interests. Adequate revenue is totally disregarded and equality of burdens ignored.

The mask is thrown off now. We no longer hear the leaders of the Republican party claiming that protection is for the benefit of infant industries or that the foreigner pays the tariff duty. Protection pure and simple, without reference to revenue, is the full scope of this bill when it becomes a law.

Mr. Speaker, prosperity will come speedily to those protected by this bill, and distress and misery to those who have to do the protecting.

As the stocks and bonds of the protected trusts and mills begin to rise you will hear the subsidized press crying out that prosperity has come. But when labor and the farmer's products stand still, as they will, nothing will be said by them.

The adoption of this bill will consummate the complete surrender of the Republican party to the trusts.

Mr. Speaker, by this act Congress abdicates its constitutional duty to legislate for the welfare and happiness of the American people. It brings reproach upon American character, and strikes a criminal blow at popular government.

It will arouse bitter hostility by all other nations doing business with us, and cause the war cloud to hang heavily upon our horizon.

It was a sad day when the people of this country permitted the Republican party to gain control of this Government. They have repudiated the constitutional limitations of the taxing power, set that fundamental law aside, and have erected in its stead the hideous and plutocratic doctrine of protection.

The exercise of assumed power to compel one part of the American people to protect another part, under the sham pretense of raising revenue, is a crime, and under this bill stands out before the world as a speculative outlaw.

There was no excuse or reason for this extra session of Congress and the enactment of this Dingley bill but to tax the people that the trusts, who gave their millions to elect Mr. McKinley President, should have their money returned to them as soon as possible.

Mr. Speaker, no effort, no word of mine, can now avert the calamity that hangs over the energies, enterprise, and industry of the people of this vast Republic. The die is cast; the feast of the modern Belshazzar is now being spread; the banquet is announced; and the revelry of 400 trusts and corporations is now in the midst of its celebration.

The stockbroker, the gold gambler, and the trusts now feel perfectly safe and secure within their intrenchments, while the Republican party stands upon the outlines of their battlements with its sordid gold to purchase immunity from the wrath of an outraged people.

But, Mr. Speaker, the day of deliverance is near at hand; the time has fully come to go before the great masses of the country and open the book of tyranny and oppression in which the Republican party has written the law of slavery. All the people want to know is by whose hands these statutes were written. I say to them: "Go to New England, Pennsylvania, Wall street, and Lombard street, and there you will see the index engraven upon every page of avarice and greed. There you will see the political boss and the machine by which your sweat and toil is coined into their millions, and there you will learn how you do the protecting and who the beneficiaries of protection are."

Mr. Speaker, there is no remedy for these endless outrages upon the people's rights under the policy and legislation of the Republican party. They must turn to the great principles laid down by Thomas Jefferson and his associates, if they desire relief.

Therefore let us go back to the people, where the sovereign remedy may be had, and make our appeal. The people are always right, and make no mistakes when free to exercise their will.

Mr. Speaker, I have no fears that when the people speak in 1893 and 1900 upon the issues that this bill now creates, a condemnation will be registered against the encroachments upon their rights, and this insidious method of robbing the toiling millions under the pretense of raising revenue will be repudiated by them in no uncertain way. Then we can say to the world that popular government is safe in the hands of the people, and robbery can not longer be perpetuated by the tricks of legislation.

## The Tariff and the Trusts.

### SPEECH

OF

HON. S. M. CLARK,

OF IOWA.

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

The House having under consideration the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. CLARK of Iowa said:

Mr. SPEAKER: There has been much clamorous insistence there should be additional antitrust legislation in the pending tariff measure. It is easy to show the public intelligence that in disregarding this demand the Republican Congress is not indifferent to the public welfare.

1. The public demands the speedy enactment of the tariff. No hindrance should be put in the way of that demand.

2. The tariff and the trust are wholly different legislative and economic measures.

3. There is already upon the statute book the law proposed. No practical or practicable good end is gained by duplicating this legislation.

4. No one has shown that there should be legislation against trusts, or that, if there should be, that which is proposed is that which is required.

5. Production and sales are controlled by trusts in England, Germany, France, and the countries that would take possession of the American market if the Congress could or should destroy American trusts and establish free trade. Thus American manufactures and labor would be displaced in America by foreign manufactures and labor controlled by trusts.

6. Trusts are a natural and normal result of the evolution of modern business and civilization, and they are more salutary and beneficent than the foolish and ill-digested legislation attempting to suppress them.

7. Labor, or that factor in production which receives wages, is organized as a trust. This is useful to the welfare of mankind; this compels the organization as a trust of that factor of production which pays wages. And the organization of the latter as a trust is just as beneficial to mankind as the former.

8. Laws attempting the suppression of the organization as a trust of that factor of production which receives wages have failed because those laws hindered the progress and well-being of mankind. Laws trying to suppress the organization as a trust of that factor of production which pays wages have also failed, because they are equally an attempt to hinder the progress and welfare of the people.

9. The welfare of mankind requires there should be high wages for labor and low prices of products made by machinery. This necessitates that the waste made by unprofitable competitive labor and the waste made by unprofitable competitive capital should be done away with, so that the gain made by stopping the waste of unprofitable competitive labor shall be equated with a like gain by stopping the waste of unprofitable competitive capital, and thus give high wages for labor with low prices of manufactured products. Waste is a moral and economic evil, destructive of industrial well-being. Trusts are the device of the highest intelligence of the modern industrial and commercial world to secure high wages for labor and low prices for products by minifying waste.

10. As everything of human origin is attended by both good and evil consequences, some evils will attend the noncompetitive organization of labor and the noncompetitive organization of capital. The province of legislation and government, so far as these have anything to do with the matter at all, is not to seek to destroy the organizations, but promote their benefits and restrict their ills.

11. In doing this it is well to remember that the history of the world shows that nearly every governmental or legislative interference with the freedom of the people in their industrial and business relations has been a blunder which the future has had to undo as best it could after a disastrous experience. What mankind does in its natural relations, free from factitious laws and governments, is a process of evolution guided by a divine will and a supreme and universal purpose and intelligence before the workings of which the centuries of human lawmaking are often but a comedy of errors. The laissez-faire school say: "Take the marring and meddling hands of short-sighted legislators off labor unions and trusts, off industry and commerce, off labor and capital, off human conduct and intelligence and free volition, and let human creatures work out their destiny according to natural evolution and the unrevealed but constantly revealing divine purpose in the universe, and then you will have a world of

science and natural order, the world of God's plan and purpose, not marred, hindered, and set back by the stupidity of lawmakers and rulers." That is the general proposition of economic science. But it must be modified and restrained by the functions of enlightened government; and where selfish personal interests and power prevent the beneficent operation of the natural law, there government must come in to guard and redress. Thus the free employment of labor is beneficent, but when women and children are coerced into unhealthy and degrading labor by individual greed, there it becomes the true province of government to interfere and protect. It is in this view that factory and mine inspection laws, for example, are wise and salutary. Economic science must recognize that government is part of the natural and divine order of things. It has its duty to perform, but that duty will be found in adjustment to, not in departures from, the natural order.

12. That factor of production which receives wages can only be paid or employed when that factor of production which pays wages can market the products of both factors at a profit. Without a market and a profitable market the whole industrial system of the modern world collapses.

13. Markets are now controlled by more or less organized national, international, and cosmic or world-wide conditions. It is now no more possible for the individual wage payer or the individual wage receiver to get a place for his products in the markets of the world than it would be for the individual soldiers of great armies to achieve campaigns without executive management and leadership. War had this same evolution from Samson or the savage making war on his own hook to the combined and managed strength of all.

14. Trusts are but cooperation, and the whole world seems to be moving toward cooperation. The workman or craftsman once went by himself. Then he combined in the lodge or society, then in the guild, now in labor unions or syndicates as wide as nations or as Christendom. The employer once conducted his own business with his own capital. Then he made a partnership, then a company, then a corporation, now a trust or corporation of corporations. The evolution has been as natural and inevitable for one as the other. The States that have passed antitrust laws have usually expressly exempted labor trusts and farmer trusts. That exemption surrenders the whole principle of antitrust legislation. Once the head of each family was a priest. Then a congregation followed, then a church. The Society of Christian Endeavor, the Epworth League, are great religious syndicates making into combined cooperative strength the formerly individual and isolated congregation or Sunday school. The tendency is everywhere.

15. The trusts now complained of exist under the Wilson tariff and years of Democratic Administration.

16. The industry of sugar refining in the United States has been organized as a trust for many years. The industry exists in that form and not another. Suppose it could be destroyed by punitive provisions in a tariff bill, what would take its place? What possible benefit would come to the American people? A great American industry would be destroyed, bringing loss to those who labor and those who pay labor. And if it were, when the destroyed industry should be rehabilitated it would again take the form of combination and syndicate, because commercial and industrial evolution is going that way. A destructive warfare upon existing and inevitable industrial conditions is wise only to the philosophy of nihilism; it is a fatuity in every other view.

17. The evils of trusts are subject to two restraints—natural law and statutory law. The safety and welfare of mankind are supreme, and will compel trusts and all societary institutions to serve them. Whatever is not in harmony with the well-being and progress of the people will be coerced into harmony with the people's welfare or be destroyed. Trusts and every form of wealth and power exist subject to that order. If ever there was a time when the people were not sovereign, that time is happily past. Trusts exist under compulsion to be of service to the people. The natural law will compel that. Wise and foreseeing statutory law should supplement the natural law. Statutory law not thus wise and foreseeing is futile and hindering. A law about trusts in a tariff bill is political legislation, and the people have a wise and prudent distrust of that. They want every tub to stand on its own bottom. They do not want their laws to be the short-lived passion or effervescence of partisanship, but, instead, conservative and necessary additions to the great structure of law, interpreted and enforced by wise and honest courts, which has safe-guarded the people for generations. Make your tariff law, give the Government a needed revenue; and when laws about trusts are needed, make them in laws that are inspired not by politics, but by justice and a really honest care for the people's welfare.

18. There has been a great change in recent years in the conclusions of economic science and public opinion as to the benefits of competition. John Stuart Mill as a deduction of science said that destroying capital and the resources of society by railway competition would be a public injury and an economic folly, and the experience of years has proved the correctness of his assumptions.

Farmers in their studies and debates on economic questions in granges and alliances set themselves against competition as an injury to them. Labor unionism has brought nearly all workingmen to that view.

Frederick Engels, in the Condition of the Working Class in England in 1844, had a chapter upon competition in which he said that competition had created the proletariat, crowded out the small farmers by means of the large farm system, ruined the lower middle class, centralized capital in the hands of the few and population into the cities.

#### Competition—

He said—

is the completest expression of the battle of all against all which rules in modern civil society. This battle, a battle for life, for existence, for everything—in case of need, a battle of life and death is fought—not between the different classes of society only, but also between individuals.

This view of the evils of competition has grown, among the working people at least, by leaps and bounds. Labor unionism shuts out competition by agreement among those who belong to it and by forcibly compelling that nonunionists shall get no work or wages. While the politicians and theorists are chattering and clamoring for competition, laboring people speak stern and resolute opinions against it. Mr. W. D. Ryan, secretary of the United Mine Workers of Illinois, said, in a recent open letter to Senator MASON:

The insane competition inaugurated by the coal operators has brought about a condition of suffering and destitution which was never equaled.

We have been forced to accept reduction after reduction until the price now paid is so low that miners can not earn an average of 75 cents a day, and the mines work only half time. I doubt if any more lives have been lost in Cuba since the insurrection commenced than in the mines of Illinois during the same time, and I am certain there are no more women and children hungry in Cuba at present than among the families of the miners of Illinois.

The wage earners see with clear vision that it is not capital in the condition of trust or syndicate, but capital in the condition of competition that is forced to pay low wages and brings misery to them.

19. One of the chief factors of prosperity is that the working people shall be employed at good wages. This, as I have said, and I want to enlarge upon it, can only be if those who employ labor can market their joint product at a profit. There is talk of labor and capital. The true view is that capital is labor; that production is composed of two factors, both labor—the labor that receives wages and the labor that pays wages. It takes as much labor to get and pay the wages as it does to earn and receive them. It is that which establishes what wages shall be between that factor of production which receives wages and that factor which pays them.

Property employs no one and pays no wages. A closed factory, an unworked mine, idle machinery make no wages, pay none. Beggars shiver in want upon the porches of splendid empty marble palaces in Italy. The property profits nobody. Glance over a few newspapers and you will see item after item showing how widespread and pervading is this recent attitude of the wage-receiving factor in production, which has displaced the individual by combination and done away with competition in the wage receiver's share of production. Just now it has closed the coal mines and shut coal out of every market. In the papers I read items like this: That the general wage committee of the Amalgamated Association of Iron and Steel Workers, in session at Detroit, decided that the wages for puddling should be \$1.50 a ton; that the tin-plate workers met at Pittsburgh, made their wage scale, and submitted it to the manufacturers; that the Miners' International Congress recently convened in London had about 100 members representing 1,150,000 British, French, German, and Belgian miners, and that an eight-hour working day was ordered by a vote by representatives of 1,064,000 miners for and 120,000 against the measure; that the Society of Engineers in England was considering whether or not it would permit the use of certain improved machinery.

With conditions like these controlling that element of production which receives wages, that element of production which pays wages must be left to a large liberty and discretion in devising methods and management to market the products profitably and pay wages, or the whole industrial world will be brought to wreck and ruin. I do not believe there is a legislator in this land wise enough to make a hard-and-fast law about trusts. They must disclose their effects by time, and legislators can not anticipate accurately what those effects will be.

20. Natural law promises its operation to guard the people from trusts by subjecting them to the like attritions that in the physical order wear the rocks to pebbles and level the mountains to the plains. I take up a paper and I read that the steel-beam trust, organized at Philadelphia, dissolved and an open market was made. The French copper trust of 1887 was so signal a failure, drawing banks and capitalists in the waves of its ruins, that it taught caution to greed and showed that the mighty operation of natural laws can not be circumvented by the devices of capital. There



are continuously enough failures of attempted trusts to impress this fact upon the caution of wealth.

21. There is reason even in the unreason of men. There must be some cogent causes for trusts, since they are the products of the largest business experience in a very enlightened period, and when the people have a controlling power in government that they never before had in the history of mankind. These causes must be found in what they have done that is salutary. When I was a boy, in a country home, the feeble light making darkness visible in the household when the night came was of home production. There was unrestricted competition as to that.

It is strange in that pervading gloom that any child escaped blindness. The era of petroleum came, but it was scarcely better in the home. Coal oil was so expensive that farm economies used it sparingly. That was the era of competition and costly production and sale. Then came the period of the Standard Oil trust. I go back to the country home of my childhood now, and it is ablaze with light. The Standard Oil trust has made oil cheap. Upon a small margin of profit assured to it by a known and controlled market the company has grown rich while it has lowered prices to the consumer and paid high wages and salaries to its employees. That is the economic basis upon which a trust rests. If it achieves these results, its existence is justified, and it is beneficent to the people. If it fails in this, then it may need to be subjected to the punitive restraints of legislation.

22. Mr. A. B. Salem recently made in an industrial paper a showing of some of the things trusts have done as to prices. In 1873 the Standard Oil Company was formed. The price of oil then was 25 cents a gallon. The oil was crude, explosive, and dangerous. The Standard Oil Company improved methods, and the safer, better oil sells in 1897 for 6 to 8 cents a gallon. The American Sugar Refining Company or trust was organized in 1887. It now sells for 4 cents a pound the same grade of sugar that was then selling for 7 cents. Rubber goods are lower than in 1892, when the United States Rubber Company or trust was organized. The United States Leather Company or trust was organized in 1892. It sells leather for much lower prices than then prevailed. Cordage sold for 10 cents a pound when the cordage trust was formed; it now sells for 6 cents. The telegraph companies combined in 1866. It then cost \$2.20 to send a ten-word message from New York to Chicago; it now costs 40 cents. In 1873 it cost 2.21 cents to move a ton of freight a mile by rail; in 1897, eighty-four one-hundredths of 1 cent. A corresponding decline has taken place in steel, glass, cottons, silks, and nearly every product made by combined capital and combined labor, while the sum paid to American working people to buy those cheapening products with has increased from \$620,000,000 in 1870 to nearly two and one-half billions now; and the average wages for the individual from \$303 in 1870 to \$485 in 1890.

23. With individual employers and under competition, the workingman was often unable to get his wages after he had earned them. This hardship seldom happens now under syndicated employment. This is a good service to mankind that must not be inconsiderately assailed by blundering and hindering legislation.

24. Ideal republics and Utopias can not be made by laws. It may be that the present society system, in which those having capital for the purpose of expanding it employ and pay wages to labor, may not be the system the future has in store. The future will determine that. But we have to deal with what is, not with what may be. Men, women, and children now have to live by a wage system. If we impair it, men, women, and children suffer want. If we destroy it, all perish. Whatever the society system of the future, it will come as a natural evolution and slowly. Legislators can not enact it into being offhand and ex cathedra.

Anything we do destroying or impairing the confidence and prosperity of those individuals, partnerships, companies, corporations, and trusts that now employ or would employ what they have in the further production of wealth throws labor out of employment, reduces the sum of wages paid, and adds to the volume of human suffering and sorrow. I have seen in the past four years the pallid faces of women bending over the feverish cheeks of the children of want. I have seen strong men grow feeble and into despair, wanting employment and not finding it. This because there were American lawmakers who in a fierce, blind prejudice struck down American employers under the pretense of sympathy with American labor. I will have no part or lot in such lawmaking nor in the spirit which inspires it.

25. The material question, then, is, Does the pending bill favor trusts to the disregard of the welfare of the people? Because care for the people should be the object of all lawmaking. There has been much declamation, but not the least proof that it so favors trusts. The workings of any tariff can not be accurately forecast; experience of it must be had. But the tariff experts of the United States Treasury Department have made the following comparative statement of protection given under the conference Dingley bill to sugar refining:

Present (Wilson-Gorman) law.....	19.82	Senate schedule.....	19.82
House schedule.....	12.55	Conference schedule.....	12.55

The careful, well-informed analysis and estimate by Mr. DINGLEY also makes the conference rate less than that of the Senate. In any event the protection given to the American refiner is less than that given by the Wilson-Gorman law. The advance in sugar stocks immediately upon announcement of agreement by the House and Senate conferees was the result of getting the sugar industry out from the uncertainty of legislation, and the assurance that whatever the tariff rate is it is fixed for four years. It is to be expected and to be hoped that a like confidence and rehabilitation may come to all the depressed industries of the United States.

#### False Promises and False Lights.

#### SPEECH

OF

HON. JAMES M. ROBINSON,

OF INDIANA.

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. ROBINSON of Indiana said:

Mr. SPEAKER: This is a fitting time, indeed—the dead hour of night—to pass this bill of spoliation that covers with a blanket mortgage in favor of wealth the future profits of honest toil. The deceptive title of this bill is only accentuated by the gloom and gressomeness of this midnight hour. All designs by man to make countless thousands mourn are canopied about with professions of virtue, and on this bill are hung out the false lights “to encourage industries,” while underneath the mask the trusts are fostered, and, like the big bats of South America, they will silently and noiselessly suck the blood from the veins of their victims while they lull them to sleep with the gentle motion of their wings.

A time will come when the people can measure the distance between promises and performance—words and acts.

The Presidential campaign year of 1896 will go into history for its rose-colored professions and promises, and the year 1897 will succeed it for its lack of performance. Is a Presidential campaign a license for all deception? Not only did the party then successful, by flagrant deception, win a victory, but no sooner were they entrenched in the position so gained than they again assumed a false ground, and the trusts, always in the saddle, turned the question from money to taxation, and declared that the advocates of Palmer and Buckner and others had voted for higher taxes as a remedy for the country's financial ills. The people know this to be untrue; but with this knowledge they have witnessed for the last four weary months this tariff bill, with its schedules and lists, its specifics and ad valorem, its rates, reciprocity, and rebates, its standards of color, its mystifying polariscopic tests, until the financial head has turned and the industrial heart has sickened at their mention. This bill covers with its tax nearly everything, to the waters under the earth; and all this weary labor, as it drags its slow length along, it is said, is done to secure revenue to cover the deficit. The gentleman managing this bill which bears his name [Mr. DINGLEY], at the opening of this session, within a few minutes on this floor, stated four times in succession that the purpose of this bill and the calling of Congress in special session was to provide revenue. With a few articles as exceptions, the whole matter has drifted into a field for the encouragement of capital seeking to control markets. Can the lovers of our institutions look with complacency on this sinister thwarting of the wishes of the people by this high-handed spoliation? This action of the majority is in keeping with their recent history.

They fed their victorious followers on promises, both offices and prosperity, and all humans waited, save and alone the miners, who, unable to longer live on starvation wages in this era of promised prosperity, struck for bread to keep soul and body together.

During the campaign the majority on that side said that the depression was not the result of industrial conditions, but the fruit of a lack of confidence; that business stood ready to embark as soon as the discussion was over and the President elected. The President was elected, but the elusive goddess was nowhere to be seen. Then it was said, “Give the Administration a chance. The President has not yet been inaugurated; when he is, all will be well.” The event over, the hand of depression still grew heavier upon us. Then they said, “Wait till the tariff bill is passed.” And now, as we stand on the threshold of this false mansion of manifold calamities and false promises, our ears are disturbed to frenzy by the walls of more starving miners striking for bread, industrial depression deeper and more disastrous, bankruptcy and battle for existence all over the land.

Driven from every position, we see them to-day reaching out into the unfathomable depths of political obscurity for some hook on which to hang their promised prosperity. Statesmen of both parties stand appalled as they see the fat kine of the land, so sumptuously provided for by this bill, eating up the lean kine, too weak to resist, too long fed on the superannuated chaff and dry husks of false promises, without performance, to survive. Sir, they have played upon the soft lute of hope so long that patience has ceased to be a virtue, and the imprisoned spirit of a long-suffering and deluded people clearly sees the hypocrisy of their pretensions.

Not deterred by the facts, but a few weeks ago a triumvirate of prosperity inflaters, three men of acknowledged leadership in wealth, amazed the idle and unemployed by proclaiming simultaneously, with a flourish of trumpets in the East, that the wave was upon us, and the slow plodders would have to clear the track or be engulfed. Seventy-five millions of Americans have waited in silence for the onset, but as usual have been doomed to disappointment. It is well to add that these three false prophets had no sooner heralded these tidings of their imaginations than they hid themselves aboard a boat and departed for a foreign and far-distant country.

Following this faith in fiction, the advance agent of the advance agent, the honorable Secretary of the Treasury, Mr. Gage, having heard the rumbling from Chicago, Canton, and Cincinnati, went to the latter city and proclaimed to the business world that prosperity was again our own, that our birthright had returned again.

Since that time the newspapers of the East played upon their fancy and tried to play upon the credulity of the people by announcing in one column that prosperity was upon us, and in another recounting a list of failures, strikes, and despondency. With this comes the evidence of Bradstreet that improvement has not appeared, that the metropolitan press is false in efforts to announce it, that any increase in the quantity of trade is lessened, in comparison with other years, by the reduced price of the commodity. Supporting Bradstreet is the "still, small voice" of ex-Postmaster-General John Wanamaker, bemoaning the fate of himself, his party, and his country, and charging that the Administration was false and faithless. It is time, Mr. Speaker, that the controllers of prosperity should treat this stubborn case heroically, and instead of trying to rejuvenate this inanimate object by blowing into it the blighted breath, let them turn their hoarded wealth into the Western arteries of trade. The people want more money, not promises, and unless they get it they will perish in the desert before they reach the promised land. Without it they can not pay these new-imposed, enormous taxes and live in happiness. No false promises of relief, by whomsoever made or howsoever given, will convince a suffering man that he has no pain. False lights of safety will no longer deceive. Men who are deluded themselves or who seek to delude others will not be believed. A people may excuse a failure to acknowledge the independence of an island near our southern shore, they may excuse your failure to pass a bankruptcy bill, but they will never excuse the fastening of the enormous tariff taxes on the toilers of the West in favor of the East unless the East shall give to those toilers the means with which to bear these burdens.

#### The Tariff.

#### SPEECH

OF

HON. E. D. CRUMPACKER,

OF INDIANA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 13, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. CRUMPACKER said:

Mr. SPEAKER: In view of the supreme importance of securing the passage of a revenue law at as early a date as possible, I had determined not to consume any of the valuable time of the House in engaging in the discussion of the bill under consideration. But taking into account what has been said by the opponents of the protective policy—the many captious criticisms and specious objections that have been made—I have yielded to an overmastering impulse to go upon record in this memorable contest, not only with my vote, but with a few brief observations upon some phases of the issue which have been the subjects of the most stubborn dispute.

The bill in its original form was the result of months of painstaking research and scientific investigation by the Ways and

Means Committee, and to my mind it was the most perfect specimen of revenue legislation, with collateral protection, that was ever submitted to the American Congress. Its main feature as a revenue-raising scheme was given proper prominence, and the schedules were so adjusted that ample protection was vouchsafed to American industries against undesirable and disastrous foreign competition. It embodied a more intelligent expression of the protection idea as an incident to a revenue bill than any that has ever been devised before. Of course it was not perfect, for perfection is not characteristic of human productions, but it seemed to fully meet the requirement of the times.

After its prompt passage by the House it was duly transmitted to the Senate, where it received the continuous, earnest, and conscientious consideration of that august body until its final passage on the 6th instant, by a substantial majority. There were 872 amendments made by the Senate, and this fact is laid hold of as a delectable morsel by gentlemen on the other side of the House as indubitable evidence of its incompleteness in the form in which it left this body. An analysis of the measure as it came from the Senate will show that a large percentage of the amendments consisted of changes in phraseology which had no material bearing either upon the revenue or the protective features of the bill.

But I admit, sir, that a number of important changes were made; but that was to have been expected. Those changes evidenced the high degree of care that was given to the consideration of the measure. No two bodies of men could arrive at the same conclusion upon a measure so complex as a tariff bill. In the House the majority in favor of the Republican doctrine is substantial, and the members, coming fresh from the people, with the popular welfare close to their hearts, responded with unusual alacrity and remarkable unanimity to the command of the sovereign authority. Not a single Republican voted against the measure, and its provisions were so palpably wise and just that it had the sanction of several opposition members.

In the Senate no party has a majority. There are 43 Republicans and 46 of the opposition holding all shades of political faith, but all united in their opposition to the present Administration—all hoping by accident or design the Republican party would be unable to carry out its pledges to the people, and that popular disappointment and loss of political prestige would follow. Concessions had to be made to secure sufficient support to enact any kind of tariff legislation. But, thanks to the able conference committee of the House, the differences have been happily adjusted, and the measure as it now stands, about to be crowned with legislative sanction, is substantially in as good condition as when it left the House. It will unquestionably produce an abundance of revenue to meet all of the expenses of the Government, and I confidently predict that under the protective provisions enterprise will be stimulated and there will be such a revival of business as will soon bring happiness and plenty to a patient, long-suffering people.

In 1894, when Democracy enacted the existing tariff-for-revenue-only law, the divergence between the two branches of Congress upon material questions was vastly wider than the differences that exist now, and at that time the Democrats had a substantial working majority in both Houses. The trouble then was in the household of Democracy—it was a family disagreement. Now Republicans are all agreed, but one branch of Congress is controlled by the opposition, and disagreements came from the very nature of things. Taking the situation as a whole, the country is to be congratulated upon the extremely felicitous outcome of the present contest. No little impatience has arisen over the seeming dilatoriness of this Congress, but all will soon be forgiven and forgotten in the light of the beneficent outcome.

#### THE PROTECTIVE POLICY.

The philosophy of the protective policy is to diversify industry in this country, and thereby bring the producer and the consumer into closer relations, so as to save unnecessary waste in the exchange of products. Prior to the enactment of the McKinley law, tin plate, for instance, was not produced in this country, though we had all the materials essential to its successful production, excepting, possibly, block tin. We were compelled to pay foreign producers several millions of dollars annually for tin plate, because we could not compete with them in its manufacture on account of the high standard of wages existing here. The quantity consumed in this country gave constant employment to about 30,000 laborers. American money went abroad to pay for it, and American laborers went without employment.

But our free-trade friends tell us that by purchasing tin plate from England we were enabled to sell that country more food products, and that the interchange was highly profitable to both countries: that England could produce tin plate at a smaller relative cost than she could produce food products, and that we could produce food products more advantageously than we could produce tin plate. That is the old and exploded theory that a country should always employ its industrial forces in those lines in



which it can produce at the smallest relative cost. Suppose, for the sake of illustration, that we supplied food products to all the foreign labor engaged in providing us with tin plate. Does it necessarily follow that the arrangement would be beneficial to us? Not by any means.

Trace a bushel of wheat from the farm in Indiana, for instance, to the tin-plate maker in England. It is sold by the farmer to the local grain buyer, who, of course, receives a commission, and he in turn sells it to an export dealer, and the expense of transportation to New York and another commission are paid. The exporter sells it to an importer at Liverpool, and the expense of handling, insurance, transportation, and another commission are added. The Liverpool importer sells it to a miller, and another commission is added; the miller sells the flour to a wholesale dealer, and another commission is paid; the wholesale dealer sells to a retail dealer, and another commission is paid; the retail dealer sells it to the baker, and still another commission is added; and the baker sells it to the consumer in the form of bread, when the final commission is added, and by this time the principal cost of the article is made up of the expense of repeated handling, transportation thousands of miles, insurance, and the commissions of the dealers.

This supposed transaction exemplifies the enormous waste of that kind of trade, a large portion of which might be saved if the tin-plate maker lived closer to the farmer. Tin plate goes through the same expensive and circuitous commercial channel in its course from the producer in England to the consumer in Indiana. This country can raise wheat at a better advantage than England can, and it can manufacture tin plate just as advantageously, except for the difference in the standard of wages. By the tariff act of 1890 a substantial duty was put on tin plate, and under its influence factories were built and operated in this country which in a short time produced all the tin plate needed for consumption here. The quality was equally as good as that imported and prices were equally as low. Now the Indiana farmer can raise wheat and send it to the tin-plate maker at Elwood, in his own State, at less than one-fourth the cost of sending it to the tin-plate maker abroad.

There is an enormous saving in the expense of handling and shipping and in the profits of the middlemen, and this is saved to the producer and the consumer. Now we have tin plate as cheap and as good as we ever had it, and millions of dollars annually are kept in this country—paid to American labor—that were formerly sent to England. Experience has demonstrated that we can produce tin plate at a smaller cost by making it than by raising wheat and other products to exchange for it in foreign countries. This illustrates the working of the protective policy in all instances, under properly regulated tariff schedules.

I am in favor of an extended merchant marine. I love the poetry and patriotism in the thought of the white squadron of commerce covering the seas under the ensign of the Republic; but when the merchant marine is to be extended at the expense of the great army of American toilers, it is a luxury we can ill afford. I believe, too, in the doctrine that legislation should not override natural conditions in the production of wealth. If one country has been peculiarly blessed by nature, no factitious conditions should be permitted to deny the benefits to all people; but when the advantage lies in sociological conditions—in an industrial despotism such as exists in the old civilizations to-day—it is unnatural and destructive, and this country owes it to humanity to protect American industries from such a blighting contact.

#### CAUSE OF THE PANIC.

It has been decidedly amusing to note the frantic efforts, futile though they have been, of gentlemen on the other side of the House to escape responsibility for the awful business panic from which the country is just emerging. They have fulminated oratorical thunder against the protective system and hurled red-hot anathemas at an imaginary entity denominated the "money power," in the hope of distracting attention from the record of their folly. Vain hope!

History shows conclusively that the country was in a prosperous condition, with no forebodings of trouble until after the election of Grover Cleveland and a Democratic Congress in 1892, pledged to repeal the industrial policy that had been a feature of our political system for over thirty years. The country heard no prophets of disaster until after that event; no business felt insecure and there were no indications of lack of stability or loss of confidence. It is now claimed that the tariff act of 1890, known as the "McKinley law," was largely responsible for the business depression, because it failed to yield sufficient revenue to meet the expenses of the Government for several months prior to its repeal. That law was enacted for the avowed purpose of reducing the revenues of the Government. There had been large accumulations of money in the Treasury under prior laws, and none of the Government bonds were due, so it could not be paid out.

Serious objections existed to a policy that unnecessarily withdrew from circulation so large a volume of currency, and it was agreed on all hands that relief should be had by a reduction of

the revenues. The McKinley law was designed to afford that relief not, as is frequently charged, by increasing duties to such an extent as to prohibit importations, but by enlarging the free list. That law admitted a larger percentage of importations free of duty than had been admitted for nearly thirty years. The item of sugar was put on the free list because the revenue was not needed, and the Treasury was relieved of \$50,000,000 a year by that alone. But that law produced ample revenue to defray all the expenses of the Government and afforded a substantial annual surplus besides until after November, 1892.

The point was never made against it prior to that time that it did not provide adequate revenue, and commercial treaties negotiated under its provisions increased our export trade until it reached the enormous sum of over a billion dollars in 1892, a sum largely in excess of the export trade in any year theretofore. The permanent redemption fund in the Treasury was never in jeopardy until after Democratic success in 1892. No one seriously questioned the ability of the Government to keep all of the currency at par with gold until after that fateful event, though the issue of silver and paper currency had more than doubled since the amount of the redemption fund was settled. During the years of 1890 and 1891 considerable quantities of gold had been exported to England to replenish the foreign stock, which had been depleted by the notable failure of the Baring Bros., but its effect was neither seriously felt nor regarded with solicitude in this country. Conditions were normal, confidence reigned, and business was active.

But, sir, a change, a fundamental change, in our industrial policy was decreed by the American people, and its effects were immediate and startling. The details of the policy to be inaugurated could not be known until the incoming Administration gave the country its proposed tariff-reform law, but it was known that the policy of protection would be superseded by some kind of a free-trade substitute. Enough was known to create a condition of dense and impenetrable uncertainty. Enough was known to stifle enterprise and paralyze activity. Importers, upon whose business operations the revenues of the country largely depended, reduced their importations to the minimum. This was in obedience to plain business law. A lower schedule of duties was to be enacted, and no prudent merchant or importer would attempt to carry any considerable stock of dutiable goods in the face of that fact.

All kinds of enterprise dependent on or affected by the tariff began at once to prepare for the advent of the new policy. The result was inevitable. "Coming events cast their shadows before them." A material decrease of importations resulted in a corresponding falling off of the revenues. This effect was noticeable during the last two months of the Harrison Administration. It was anticipatory entirely, and Secretary Foster, with characteristic sagacity, foresaw it, and advised measures to fortify the gold reserve, which would inevitably be endangered. The gold reserve is not a segregated fund, but is liable for the payment of general demands against the Government. It consists only of a general balance which the Government keeps in gold coin for the purposes of redemption, and thereby maintains all other currency at par with gold.

This fund fell from \$124,000,000 in November, 1892, to \$103,000,000 in February, 1893, and the tendency was still downward. It was obvious that the reserve could not be maintained at the minimum of \$100,000,000 in the face of a rapidly decreasing revenue, resulting from the falling off of importations under the influence of a proposed radical change in the tariff policy of the country; consequently Secretary Foster advised the issue and sale of \$50,000,000 of Government bonds, under a power vested in the executive department, to provide for the redemption of Treasury notes. The gold balance was greater in November, 1892, than in any other month during the year, excepting March. It was in a safe condition, and under a continuation of the Republican tariff policy there was nothing to excite apprehension or cause alarm.

But early in 1893 it became manifest that business principles were asserting themselves; that the revenues would become inadequate and the gold reserve be endangered. This uncertain and alarming condition, combined with former shipments of gold to Europe and general domestic overtrading, put in doubt the ability of the Government to keep the silver and paper currency at par with gold. It seemed likely that gold would go to a premium, and money holders made a mad rush upon the Treasury to secure that metal for the purpose of hoarding. Confidence fled, and the country was helplessly engulfed in the awful vortex of commercial ruin. That fearful national disaster, sir, was the logical, the necessary result of the proposed repeal of the protective policy. The havoc was aggravated by contributory forces, but that cause precipitated the trouble. It was the judgment of economic law and the price of Democratic victory.

There may have been times within the last forty years when the success of that party at the polls would not have been so destructive, but there has been no time when its success would not have been followed by serious business disturbances. The election of

President Cleveland in 1884 misled the American people. They overlooked the fact that he was not supported by a tariff-reform Congress, and was, in consequence, powerless to change the policy of protection. His election then did not seriously disturb existing conditions, because he was unable to inflict his reforms upon the country; but when his triumph meant a change of the industrial system, it was followed by the direst consequences.

Gentlemen may protest and asseverate, they may tax their fertile intellects in vain attempts to explain away the responsibility or shift it to the "crime of '73," but they can not prevail against the invincible truths of history. They can not "argue the words out of the instrument nor the seal off the bond." The American people have intelligence enough to locate the responsibility for the impoverished conditions of the country. They will not be misled by the stock epithets of "plutocrat," "shylock," "trusts," "extortion," "robbery," and the like. Lo, they have heard those things before; hence they sorrow.

For four years the public revenues have been insufficient. The last Administration was compelled to resort to expensive and humiliating expedients to fortify the public credit. It is the first duty of the present Administration, in the performance of its promises to the people, to correct the expensive and ruinous follies of the last. This will be largely accomplished in the enactment of a suitable revenue law. With the gold reserve rescued from danger, the protective policy reestablished, and the reciprocity plan restored, the foundation for a long era of prosperity will have been laid.

#### TRADE COMBINATIONS.

The floodgates of obsequious eloquence have been opened in this discussion upon the subject of "trusts" and "combinations." It is charged that protection creates trade monopolies. There is now a very stringent antitrust law upon the Federal statute books known as the "Sherman law." It prohibits combinations to forestall prices or to stifle competition in all lines of interstate trade. It must be kept in mind that Congress has authority to legislate only upon subjects that affect interstate trade. Trusts that pertain to trade and transportation between the several States may be prohibited by Federal legislation, but combinations existing in the respective States, under our peculiar form of government, must be handled by the State legislatures.

It is to be regretted that Congress has not a more extended control of those abominable creatures of greed, those industrial and commercial vampires that attempt to control production and price of articles of consumption. The States should enact rigid laws upon the subject, and rigidly enforce them in so far as they are within State control. Congress should, and doubtless will, add such supplemental legislation as experience shows to be needful, so far as it has power to act upon the subject. But, sir, let me ask what restrictive legislation was given the country by the last Democratic Administration on the subject of trusts? Not a single syllable. Those obnoxious combinations have been more bold and aggressive under the present tariff law than they ever were before. Why, it is charged even by Democrats that the law itself was the product of their reprehensible methods.

I concede that trade combinations to control prices are a menace to the welfare of society and ought to be eradicated by most drastic measures. No combination should be allowed to prostitute the privileges of trade in this country, and I am willing to support an antitrust law as strong as it can be written within the constitutional limitations upon the powers of Congress. But I deny, sir, that the protective policy fosters or encourages those abominable organizations, and appeal to history for vindication. Some of the most obnoxious trusts have existed with reference to transportation companies which can not be the subjects of protective legislation. Besides, there are oil trusts, coal trusts, coffee trusts, and others, the subjects of which are not dutiable.

The sugar trust grew into dangerous proportions while that article was on the free list. The vice of trusts is in the conspiracy to keep up the price of commodities. When they seek to repress competition, they are enemies to society. Under the operation of trade laws, competition in all lines of production will be sufficiently active to protect consumers if left free from factitious control. If import duties were materially lowered, so that foreign competitive products could be imported and consumed to a larger extent, the effect would be to destroy a corresponding amount of home competition. Production is regulated by consumption, and a healthy competition is all that can permanently endure. It is a law of nature that no two bodies can occupy the same space at the same time, and it is likewise a law of commerce that only a certain amount of competition can exist in a community at a given time. If commodities are brought from abroad, it is axiomatic that they will not be produced at home.

If no competitive articles are imported, the whole consumption will be produced at home. There will always be a reasonably sufficient quantity to supply the demand and but little more. The production will always relate to the consumption in pursuance of inexorable economic law. If we produced only half the

competitive commodities needed for consumption by our people and imported the other half, it would be equally as easy for the manufacturers and importers to effect combinations to control prices as it would for the manufacturers to do so if we produced the entire supply. The consequences of the trust would be as harmful in the one case as in the other, and the facilities for effecting it would be the same.

The talk about protection breeding trusts is utterly groundless. It has no foundation in fact or in philosophy. Trusts are facilitated by invention and development of industrial lines. Free-trade England has as much trouble with them as this country has. The only efficient method of dealing with trusts is to enact highly penal laws—State and Federal—against the promoters, and see to their enforcement. Large industrial institutions have facilities for economizing in the expenses of production that are not shared by small concerns. They can dispose of products at a small profit and receive large aggregate returns upon the investment. A small plow factory, for illustration, that turns out only 300 plows a year, could make only \$1,500 by selling plows at a profit of \$5 each, while a large factory that turned out 30,000 could sell them at a profit of \$1 each and then make a profit of \$30,000 a year. The large establishment would grow wealthy, and at the same time every purchaser would save \$4 on each plow. More than that, the large concern, by a careful system of economizing, could produce at a much less cost than the small one, and society would be materially benefited by it.

This is illustrated in the decline in prices of farm wagons, buggies, and all implements of husbandry within the last twenty-five years. It is a great blessing to the world to bring more of the comforts of life within the reach of the masses where it comes as a result of normal industrial growth. This beneficent result will be largely lost if manufacturers are permitted to combine and maintain the prices of their products at an unnaturally high standard. But prices reduced by unhealthy conditions carry no blessings to the people either of present enjoyment or future promise.

During the last four years conditions have been abnormal. Prices have been ruinously low as the result of Democratic incompetency. The opportunities of the wage earners have been destroyed and consumption has correspondingly diminished. The question of prices has not concerned the people so much as the question of earning money to buy at any price. It is no satisfaction to one without money or employment to know that many comforts of life can be had for a small sum of money. Activity, enterprise, is what the country needs most, and under the operation of the natural laws, aided by wholesome legislation, prices will find an equitable adjustment. Trusts have not been as disastrous for the last few years as distrust.

#### REVIVAL OF BUSINESS.

Prior to the last election the currency of the country was in a most unsatisfactory condition. Gold was being hoarded all over the land in the fear that it would be forced to a premium by the possible success of the free-silver party. There was no gold in actual circulation and none could be gotten at the banks. The Treasury reserve was unsteady and indicated the feverish anxiety of all business interests. It was constantly watched, and every fluctuation was noted with the gravest apprehension. The Republican party, true to its traditions, stood firmly for the existing standard of value and for the maintenance of the silver and paper currency at par with gold.

The immediate effect of the election was to give stability to the currency, for within three days after the result was known gold came from its hiding and could be had at the banks upon the same terms as other money. The "endless chain" ceased to operate, bond selling was stopped, and the Treasury reserve has been intact from that day to this. The net gold balance in the Treasury to-day is above \$143,000,000, and there is no probability of an immediate reduction. With the repeal of the Sherman silver law and the promise of a speedy enactment of an adequate revenue measure, there is no longer any fear of the soundness of the currency or of a slump to a depreciated standard of value.

Gentlemen on the other side of the House frequently refer to the continued depressed condition of business throughout the country as proof of the inefficiency of Republican policies. They derisively allude to the "advance agent of prosperity," and exhaust their vocabulary of vituperation upon every proposition for relief that does not contain as one of its ingredients the quick remedy of free silver. It must be admitted that there is still much distress throughout the land, but these same gentlemen prepared the soil in which they are now so industriously sowing the dragon's teeth of discontent. There never was a time when demagogues could obtain readier audiences and the country never produced a ranker crop of them. It is entirely natural that the millions of farmers and wage earners should become impatient for the return of a better day, and doubtless many are disappointed because its coming is not more precipitate.

We are apt to ascribe too much virtue to legislation in its power



to promote the public welfare. There is believed to be a kind of talismanic force in Government that will enable it, by some sort of magic, to legislate wealth into the pockets and happiness into the lives of the people. This is not a harmless delusion, for it begets disrespect for social institutions and brings established authority into contempt. Laws can not create wealth, but they can promote helpful conditions and aid economic law in producing desirable results; they can secure equality of opportunity and facilitate profitable exchange. The man who depends upon laws to be made rich will end his days in poverty.

The wealth-producing forces of this country have been badly deranged for the last few years and legislation may help restore their normal functions. But this result, to be permanent, must come gradually and by the old-fashioned process. It is much easier to get sick than it is to get well; it is easier to get poor than it is to get rich; it takes the country longer to recover from a panic than it does to get into one. The continued business depression only proves the extremely reduced condition of the country under Democratic policy. The journey back to prosperity is slow and tedious, like the recovery from a long period of sickness, in which the vital forces have been very nearly exhausted. The derangement of one organ involves others until the whole system is racked with disease and reduced in strength. Convalescence is a gradual process, requiring time and close attention, and it is usually attended with great impatience.

But the work of tissue building and strength gathering unconsciously goes on until a little improvement here and there is noticeable. Legislation, like medicine, is an important factor in the process of recovery if judiciously administered, but if not, it is liable to bring on a relapse. The country is in a state of convalescence to-day. Every commercial and industrial organism had become seriously deranged, and the derangement continued for so long that it became chronic. Confidence was destroyed, activity paralyzed, enterprise stifled. There was no work for the wage earner and no market for the farmer, because industry had no protection and money no stability. The immediate effect of the election was to inspire confidence in the stability of the currency and faith in the enactment of a law that would protect and give employment to American labor.

This faith will soon end in fruition in the enactment of the bill under consideration. The basic conditions for industrial activity will then have been laid and the foundation for a new growth in enterprise will have been constructed. Upon this foundation there can be no doubt of a substantial revival in all lines of production. It is not to be expected that improvement will precede the application of remedial agencies. When a physician is employed, no favorable results are looked for until the remedies prescribed have had time to operate. The beneficial effects of a governmental policy can not be fully realized until the policy has had time to effect reforms. The virtue in a protective tariff is chiefly in its operation, though some results are anticipated.

Evidence of a business revival is already seen in the disposition of investors to start new enterprises in anticipation of favorable legislation. The commercial reports of Bradstreet and Dun show more buying, more selling, more building, more activity than has been known for several years. One new enterprise will employ idle workmen, put money into their pockets, and they in time will consume the products of the farm and give employment to others. Know ye not that "a little leaven leaveneth the whole lump?"

The enactment of this bill will give a new impetus to trade and send the red blood of returning health into all the arteries of commerce. One industry after another will reopen its doors, until the vast army of unemployed will find work and wages and the home market—the best market in all the world—will be restored to the farmer. Commercial treaties will again be negotiated and the products of the farm will find a sale in markets that are now closed against them. Prices will then rise to a healthy permanent level in money as good as gold the world over. The tide is already rising, and if conditions have any significance, the country will soon enter upon an era of prosperity not surpassed in all its history.

The benefits flowing from the restoration of the protective policy will be shared by all the people. The farmers and wage earners will be the principal beneficiaries, and they ought to be, for they have been the greatest sufferers by the recent panic. I rejoice in the fact that the standard of living is improving among all classes every year. The cottage of the toiler to-day is furnished and adorned with comforts and luxuries that were found only in the houses of the wealthiest forty years ago. Cheapened cost of transportation puts within the easy reach of all locations of natural and historical interest with which the country so richly abounds. In reckoning the progress of civilization these momentous facts are apt to be left out of account. The country is prosperous only when the great masses of the people are prosperous.

In the millions of humble homes of the land abides the glory of our civilization and the safety of our institutions. The end and aim of all legislation should be to promote the welfare of the whole

people, and it is the earnest hope and confident expectation of its supporters that the pending bill will contribute largely to that end. In the adjustment of the schedules all interests have been carefully and honestly considered. The products of the farm have received ample attention in the way of substantial duties and provisions for treaties of commercial reciprocity with other nations. A reasonable duty has been placed upon sugar because of the new impulse given the beet-sugar production in this country, and because there is need of the revenue. There is little doubt that, with proper encouragement, in a comparatively few years we can produce all of the sugar required for our own consumption from beets raised by American farmers.

False prophets will predict disaster, but this great country can not be destroyed by pessimism nor its progress be retarded by the arts of the demagogue. Let us pass this bill without further delay and repair to our homes and abide in the faith of a return of peace and plenty.

**Tariff on Wool—As a Matter of National Protection in Time of War, and as a Matter of the Promotion of One of the Greatest Agricultural Interests, a Protective Tariff on Wool is Essential and Indispensable.**

## SPEECH

OF

**HON. CHARLES H. GROSVENOR,**

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

The House having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States, and the question being upon agreeing to the report of the conference committee—

Mr. GROSVENOR said:

Mr. SPEAKER: Agriculture is the basis of national prosperity and national independence. A country in which agriculture languishes is a country in which prosperity will always be uncertain, if not impossible. Out of the earth comes wealth; out of the earth come the elements of independence. We must produce in this country wool enough to supply the wants of our people, or in case of war we must be dependent upon foreign countries to supply us with wool, and it must be introduced through the ports open to the possibility of blockades by those countries.

In advocating the adoption of this report, so far as this question of the wool tariff is concerned, I shall deal largely in generalities rather than specific tables and figures, and I plant myself upon one undeniable proposition, and that is that the wool interests of our country did prosper enormously under the McKinley Act.

I recognize that the woolgrower did not get from the McKinley law all that he anticipated, and yet I declare, and defy successful contradiction, that he had assurances of a benefit commensurate with all reasonable demands at the time of the overthrow and repeal of the McKinley Act. It is useless to go into figures. It is folly to bandy terms of reproach and harp upon worn-out strings of dissatisfaction.

More harm has been done to the woolgrowers of the country by the obtrusive efforts of men in the advocacy of their own interests and trades than by all the other opposition and complications combined. When a man advocates a special interest in a tariff bill, and plants himself upon the proposition that no regard shall be paid to the rights and interests of others, and that his selfish interests alone shall guide, he plants himself upon untenable ground. When a man declares that the ports of the country shall be closed to the importation of foreign wools of every description, when he knows that there is an indispensable necessity that we shall import in wool or cloth 350,000,000 pounds of wool, he plants himself in a position that answers his own argument and destroys his influence.

The woolgrowers of Ohio are familiar with the fact that in 1890 the McKinley Act went into effect, and that it was an improvement in rates upon the law of 1883. But it went into force in October, and the wool of 1890 was in the market, and no good came of the enactment of the McKinley law that year. In 1891 they met in the markets of the United States an anticipatory importation into the country of an enormous blockade of wool. It came here at the suggestion of the enactment of the McKinley law. It was crowded into the country as it has been crowded in this year,

only not in such large quantities, for the inducement was not so great.

So the farmer found in the year 1891 competition which lowered the prices and held them down; but in 1893 the effect of the McKinley Act began to be appreciated, and we found that Ohio XX wool was a ready sale in the market at from 26 to 32 cents a pound. There stand the figures. I hold them in my hand. Mr. Speaker, I deny contradiction. It placed the wool of the Ohio farmer upon a profitable footing, our flocks were growing, and we were moving rapidly forward to the ultimate time, which we are now looking for, when we could have supplied the people of the country with wool.

The curse of Democratic success struck the country, and the wool industry fell before it. We found ourselves with free wool. The enactment went into force in 1894. In anticipation of its passage wool fell in that year, but that was not all of it. Mr. Cleveland was elected upon a platform with a free-trade plank. He was elected in November, 1892. He was elected in the first and only year in which the McKinley law had been in operation, and the very moment Cleveland was elected wool fell in the markets of the world; fell in anticipation of free trade; fell in anticipation of the blight that has swept over us since. Our flocks have run down, and wool has gone down in Ohio to 15 cents.

Mr. Speaker, I stand here to-day and point to one of the cases that has come within my personal observation. The gentleman representing the Muskingum, Ohio, district on this floor, himself a producer of wool, has told me to-day that the clip of his flock of last year was sold in the market at 15 cents a pound, the highest possible result that he could attain. Those are the marks of difference between the McKinley rates and the Cleveland rates upon Ohio wool. What is the use of figures? What a contemptible subterfuge to constantly fill the country full of suggestions that the McKinley law was no protection. Theories work out, it is said, that the McKinley law was no protection. Facts work out that the McKinley law advanced the Ohio wool 10 and 11 cents a pound in the markets of the country. Who cares for Senate documents No. 17, second session Fifty-fourth Congress, and No. 36, first session Fifty-fifth Congress? Who cares for the utterances of professional shriekers? So I maintain, and defy contradiction, that the McKinley law was a splendid provision for the woolgrowers, and the woolgrowers of Ohio know it.

Mr. Speaker, during the last ninety days I have had from the real woolgrowers of Ohio—not the professionals, not the men who farm the farmers, but the men who farm sheep—letters saying that they would be delighted and would hail with joy the adoption of the McKinley rates, and they have secured them, and more, too as I will show you.

Now, then, Mr. Speaker, there are conditions in the world to-day that did not exist when the McKinley law was enacted, and these conditions have operated upon the woolen interests. A duty of 8 cents a pound upon wool to-day is nearly as great an ad valorem protection as was 11 cents under the McKinley law.

Let us see. Protection is a question of placing between the product of another country and the product of this country a sufficient differential to insure the market of this country to the product of this country. If you can buy wool in London at 10 cents a pound, then 10 cents is a hundred per cent ad valorem duty; but if you are compelled to pay in London 20 cents a pound, then 10 cents is only a 50 per cent ad valorem duty. Without multiplying words, without encumbering the minds of my hearers with senseless tables, the markets of the world have fallen, and wool is lower the world over than it was in 1890. The repeal of the McKinley law stimulated the production of foreign wools, because it opened the markets of the United States to the wools of foreign countries, and wools have come from countries which never prior to the repeal of the McKinley Act had been competitors.

What I have said about wool is also true of other commodities. In the McKinley law we put a certain duty upon the whole line of iron and steel productions, including steel rails. In this law we have placed a duty of scarcely more than 50 per cent of the McKinley rates on steel rails, and yet the protection is ample, and why? Because the cost of the production of iron and steel has been greatly reduced in the markets of the world, and the increased power to produce has cheapened the products all along the line of the efforts of man; improved machinery, more rapid transportation, cheaper labor in foreign countries, all these things have combined to make the great products of human agency, human effort, human intelligence, and human industry cheaper in the markets of the world, and so a duty which in 1891 was fairly protective, in 1897 is adequately protective.

When we came here last December to begin the investigation into this question and started in to frame the Dingley bill, the great expectation of the whole country was that we should get back to the McKinley rates on wool. The Ohio farmers by hundreds were struggling as near up to the line as possible, and I have in my possession scores of letters stating that I could not be held

responsible and they did not intend to hold me responsible for any inability to achieve the full McKinley rates. We entered upon the consideration of this question with the greatest possible care. I was interested to achieve the result, and more, if I could.

My greatest opposition to the McKinley bill consisted of two great propositions: First, that certain wools of the third class had been the medium and conduit of frauds upon the woolgrowers of the country who produced clothing wools. Observation and study had taught me that the wools covered as third class were transmuted into clothing wools as soon as they had cleared the custom-house, and the committee gave its very best effort to the removal of this difficulty, and the result was that we took from the third class the following wools: Bagdad wool, China lamb's wool, Castel Branco, Adrianople skin wool or butcher's wool, and classed these wools with the first-class wools with a sweeping proposition, to which we added "and such as have been heretofore usually imported into the United States from Buenos Ayres, New Zealand, Australia, Cape of Good Hope, Russia, Great Britain, Canada, Egypt, Morocco, and elsewhere, and all wools not hereinafter included in classes 2 and 3."

Much of this description pertains to the McKinley law, but much of it was to take by names the wools of certain countries that had heretofore come in as third class and transfer them into the grade of first class. This, in our judgment and in the judgment of men skilled in wool and not in politics, the men skilled in truth and not in misrepresentation, covers the danger point of possible interference. My own opposition to the development of the McKinley Act was found in ad valorem duties upon third-class wools.

Ad valorem duties are dangerous in any event. They have been the cause of most of the trouble in our revenue system, and here in wool, above all others, except in the sugar schedule, was an easy administration of specific rates, and so I especially and under all circumstances have advocated specific rates; but we were met by the carpet men, who insisted that the McKinley law taxed their product high enough, and while it is true that I was exceedingly anxious that third-class wools should be justly dealt with, I was more anxious that wools of the first and second classes should be taken care of, and so while we permitted the ad valorem duties of the McKinley law to be applied to the third-class wools in the Dingley bill, which were unsatisfactory to me, it was the best that we could possibly do under the circumstances and at the time.

Then came the crisis, and then came the disaster. The bill went to the Senate, and there came an insidious and unwarrantable influence, which came in the form of an argument made to the Northwestern people—the growers of a coarser fiber of wool than our own—that gross injustice had been done to them; that while the House had restored the McKinley rates on the first and second grades of wool, it had struck down the third-class interests, and then these men were indoctrinated with the false proposition that their Territories and States protested against the third-class wools. I will not stop to argue it. The investigation has been long drawn out and thoroughly efficient, and the result presented, and the truth is that third-class wools—that is to say, carpet wools, wools of a character that come within the present definition of third-class wools—are scarcely produced at all in the United States.

We have proved and demonstrated that not 2 per cent of the product of the United States is carpet wool. But they were taught, they were assembled, they were harangued, and volumes of wrath were poured out upon the McKinley law and upon the Dingley bill, and the public were assured that the woolgrowers had been abandoned, and while this was going on the intelligent woolgrowers of my own State were importuning me to stand by and secure the triumph of the House bill and the House rates. Then came, like a clap of thunder out of a clear sky, the Senate bill, 8 cents a pound on Ohio first-class wool, 9 cents a pound on second-class wool, and specific duties on carpet wool that raised the tariff upon the lower division one and seventeen one-hundredths of a cent and lowered it upon the upper division one and forty one-hundredths of a cent, and the bunco performance was achieved.

How was it done? These men of the Northwest said to the Senate Finance Committee, "We must have these higher rates on cheap third-class wools." They were answered, "You do not raise it, you do not produce it," but they pointed to high authority that they did. Then said the Eastern manufacturers through their friends, "It is true; very well; if you think this condition necessary to your happiness, if you think it is necessary that you should have these higher rates upon this class of wools, meet us halfway and promise to give us lower rates on the first and second classes," and the transaction was consummated, and I have the highest authority that can be produced in the United States that these were the circumstances that produced the 8 and 9 cent rates on wool.

Later on the bill came into the Senate, and I said without hesitation to the distinguished gentleman in charge of the bill that I preferred free wool to those rates, I preferred free wool in order that my constituents might abandon the raising of flocks and



could be doing something else. Rather than they should have suffered, by any act of mine, under this blight and curse, I would have resigned my seat in the House of Representatives. But it was done, and done in this way and by these men, and everybody in Washington knows it, every member of Congress knows it, every carpet man knows it, every manufacturer knows it, and every producer of wool of intelligence who has had inside information knows it.

It came from a pettifoggy interference that arrayed figures and confused people by the multiplication of words and by iteration and reiteration—that brought it all about. The demand of 24 cents a pound duty on wool, the demand that impossible definitions in the character and preparation of wools for market should confuse and interfere with the wool traffic of the country, has done it. It had been a boomerang. It had been thrown at the enemy and it recoiled upon our friends. Personal considerations must not enter into public questions. It is not important who achieves results if the beneficiary is satisfied. It is not important that the conquering hero should be decorated with emblems of victory, provided always that the people of the country are properly cared for in the matter of legislation.

The Ohio woolgrower had strong friends on the floor of the Senate, and they went to work. They found where the difficulty lay, they understand it now, and they struck at the root of the evil, and Senator FORAKER and Senator HANNA protested that they would not be parties to the abandonment of the interests of the wool producers. They made vigorous warfare, both openly and eloquently upon the floor of the Senate, and privately among the members of the Senate, and they achieved a result that would have been barely satisfactory to the intelligent woolgrowers of the country.

Senator FORAKER, with matchless power, protested against the Senate rates, and as a result he secured an amendment in the Senate which brought 10 cents on Ohio first-class wool and 11 cents on second-class wool, and secured a dividing line at 10 cents a pound; on third-class wool at 4 cents a pound, and on the upper grade of wool at 7 cents a pound. Let us see now what this was. It was the subdivision of the House schedule, so far as the nationality of the third-class division was made, and it was 1 cent a pound on Ohio first-class wool below the McKinley rates and 1 cent a pound upon second-class wools below the McKinley rates, and in all other material respects it was the House provision. Then the woolgrowers of the United States of America began to see daylight, and the president of the Wool Growers' Association, Hon. William Lawrence, of Ohio, telegraphed the thanks of a million woolgrowers to Senator FORAKER. He deserved their thanks.

The bill passed; but there were men who were not satisfied, and a committee of conference was appointed. The country had stood by and defended the McKinley rates as well as the McKinley subdivisions, and these men met in conference of the two Houses, and ten days of faithful study, careful consideration, and just intercommunication of ideas passed between the members of the conference. For the result I am more than thankful. We have restored the old McKinley rates under which we prospered—11 cents a pound on Ohio first-class wool, 12 cents upon Ohio and all other second-class wool, and withal we maintained the definitions of third-class wool, and we have placed upon the lower grades, 4 cents a pound, and on the upper grades 7 cents a pound. In other words, we have taken exactly the achievement of Senator FORAKER, for which he received the thanks of a million woolgrowers, and fixed that, at their acceptance and upon their approval, in the law of 1897 as the definition and tariff duties upon third-class wool, and we have the honor to present to the woolgrowers of the United States an advance of 1 cent a pound upon each of the upper grades of wool.

So I am justified in saying, in the language of the most distinguished champion of the woolgrowers of America, because the most intelligent, fair, and just—

This is the best provision for the promotion of the wool industry that has ever appeared upon the statute books of the United States. Better than the law of '67, because of the changed conditions in the country and the war; better than the McKinley law, because of the specific rates upon third-class wool and because of the wise provision taking out of the third-class wools a vast series of productions that were the conduits of favoritism and fraud and placing them in the first column.

So we have met the woolgrowers and have received their official approbation. Many valuable suggestions appeared to Congressmen which, viewed alone from the standpoint of the parties interested, often seem reasonable, but when applied to some other established industry are often impracticable. Suggestions as to higher rates of duties on wool have often been made with much force, but the adoption of these extreme rates would only prove a positive injury to the cause of protection and to the woolgrowers themselves, for if the more extreme of these recommendations were adopted the nation would overthrow such a bill in a few years.

It is to the interest of everybody that the new tariff law shall be one so fair and just as to endure the test of all time, and this

Dingley bill offers every promise of being so full of merit that it will inflict no hardship upon any large class nor be injurious to any established industry. Owing to the altered condition of the times and the low price of everything which a farmer now raises outside of wool, flocks must increase rapidly. While the increase would be less rapid for the first year or two than would have been the case if some of the extreme rates recommended had been adopted, the rates finally agreed upon covering a period of years will undoubtedly prove to be the very best to the woolgrower that could have been devised.

Perhaps not the least convincing evidence of the need of a change in third-class wool is the fact that at the late conference between manufacturers and woolgrowers the former offered the McKinley law rates on wools of the third class without change, while at the same time they insisted upon a reduction on wools of the first and second classes. It is thus evident that the manufacturers themselves considered the McKinley rates on third-class wool the equivalent of 20 per cent less than the McKinley rates on the other classes, and Congress has done wisely in reestablishing the rates which were proven to be best for the first and second classes and increasing those where it was needed on the third and carpet class.

While it is true that a very small fraction of the domestic clip, estimated by some at 1 per cent, is coarse enough for carpet, it is also true that about 15 per cent of the third-class wool is annually manufactured into various forms of wool textiles other than carpet, such as horse blankets, etc., which takes the place of a like quantity of common grades of American wool. It is claimed because carpet wool is not grown in America that there should be no duty on carpet wool, but every pound of the latter enters into the construction of fabrics that could otherwise be made of American wool, and to that extent it competes with American wool, and it has been apparent that improvement was needed in this direction; but it is found that a raise of duty on carpet wools disturbed the carpet-manufacturing industry, and the changes made were all that it was possible to make without inflicting injury upon a great industry already established, whose output in normal times represents a production almost as valuable as that of the diminished wool clip.

The rates established for third-class wool approximate very closely those originally agreed upon by Mr. McKinley when the law of 1890 was enacted, but the pressure from carpet manufacturers for a change from specific to ad valorem duties was so great that it endangered the successful passage of the McKinley Act and at last the rates of the McKinley Act as originally reported, or those approximating them, have been secured for the woolgrower, and this is more important at this time than it was in 1890, owing to the fact that the improvements in machinery now make it possible to use third-class wool for clothing purposes, which was never thought of in 1890, except for the manufacture of carpets; and as further improvements are likely to take place, in all probability the quantity of carpet wool used for clothing purposes in the future will be greater than that used in the past, and provision has been made for this in the new act.

The passage of the Dingley Act marks the beginning of a new era of prosperity for the American woolgrower, whose industry under the unfortunate experiment of free trade has been languishing. With the experience of the effect of the McKinley Act before us, the reasonable expectation may be indulged in that with the increase in our flocks under the fostering influences of this act America will shortly produce nearly enough clothing wool, that is, wool of the first and second classes, to clothe her people. This is based on the rapid increase in the flocks occurring during the McKinley period.

If that act had been permitted to remain in force, America would soon have produced its own supply of wool, for it was increasing during the McKinley period with strides and bounds. This was not only owing to the duties, which furnished adequate protection at that time, but the McKinley Act protected the domestic wool manufacturers so justly that an expanding home market was furnished the producer of wool. During the McKinley period American mills manufactured 80 per cent of the woolen textiles consumed in the United States, only 20 per cent were imported. This was in strong contrast to the decrease in the American manufacture under the Wilson bill, for under the latter act domestic production of woolens decreased or fell off to less than 50 per cent of our consumption; that is to say, the foreign manufacturers, who under the McKinley Act were only permitted to furnish 20 per cent of the woolen textiles used in America, were, under the Wilson Act, permitted to monopolize 50 per cent of the production for our use.

With this experience before us of the effect upon the sheep industry of the McKinley Act, patriotic and conservative legislators were convinced that in making a new law it would be much safer to adhere to the McKinley Act rather than to venture into untried realms. Many suggestions, plausibly presented, which on the face appeared to be improvements on the McKinley Act, were set aside in favor of the principles and schedules and

rates of duties that have proven advantageous to both woolgrower and manufacturer where under the McKinley Act both were prosperous to a degree hitherto unapproached. The new bill, therefore, is found, so far as wool and wools are concerned, to retain all the advantages for the American woolgrower that he held under the McKinley Act, with some improvements and advantages that would not have been secured to him if the latter had been reenacted without change.

The most important change which is of advantage to the American sheep husbandry has been the transfer to the first class from the third class of many varieties of the finer grades of what were formerly inappropriately called carpet wools, but which were in point of fact clothing wools. Wools which under the microscope showed no traces of Merino blood, which would require their classification as wools of the first class, at the same time were so fine as to be largely used for the purposes requiring wools of the first class. The most conspicuous of these is China lamb wool, the wool resembling half-blood merino wool.

Another important change was in the Egyptian wools, which were washed and were so clean as to be suitable for use in carding and spinning without further cleansing. Egyptian wools, by the proper union of the best animals, providing for the survival of the fittest of them, could in time improve by scientific breeding until they would become equal to the common wools of the Ohio and Mississippi valleys. These were formerly dutiable at less than 8 cents per pound, and now would be required to pay not only the first-class duty of 11 cents per pound, but they would be subject to the double duty by reason of their having been washed after having been shorn. Under the McKinley Act some of the wools from northern Africa, which if properly classified would always have been of the first class, but which sometimes were passed by wool examiners as carpet wool, have by the new law all been gathered into the first class, so that the African wools are now practically dutiable as clothing wool.

Investigation reveals the fact that woolgrowers have no cause for complaint of the wool duties of the McKinley Act of the first and second classes. These were remarkably satisfactory to both producer and consumer; therefore they have been practically re-established as they were under that act. There was, however, just cause of complaint of the third-class or carpet wool schedule of the act of 1890, which arose mainly through the opportunity for undervaluation growing out of the ad valorem duties. Ninety-eight per cent of the third-class wool imported under the McKinley Act, which was nearly the whole of it, came in at the lowest rate under that act, and was valued at an average of only 84 cents per pound, which on its face indicated serious abuse in the way of undervaluations, which have been corrected in the Dingley Act, not only by increasing the average lowest possible duty a cent a pound, but also lowering the dividing line from 13 cents to 12 cents, thus subjecting to the higher duty of 8 cents the more valuable of the third-class wools, which were formerly passed through our custom-houses at a duty of less than half of this rate.

The American woolgrower has now before him an opportunity to expand his industry such as he has never enjoyed before. While the rates of duty are slightly below those prevailing after our civil war, they are in protective benefit fully as great as the higher rates of that time when consideration is given to the altered conditions of the present moment.

Under this act sheep husbandry should be one of the most profitable branches of agriculture, and the woolgrower and the farmers generally should consider the increase in flocks a patriotic duty. It should be considered alone, separate from the mere question of dollars and cents, though advantages in this respect are greater than ever before; but the building up of this great industry should be promoted by all classes of agriculturists as a matter of benefit to the nation in the way of increasing national wealth.

The flocks in many sections of the United States since the close of the Harrison Administration have been largely destroyed. These should be restored without delay from the ample flocks in the States of Wyoming, Montana, and Utah, where healthy young animals of the best breed may be had in countless numbers. These flocks are descendants of some of the best Eastern breeds, and the wool is only inferior to that raised in the pastures in the Ohio Valley because of the temporary effect of the climate and soil. These flocks, when shorn of their Territorial fleeces and transferred to the rich woolgrowing sections of the Central West, will in one year thereafter produce as good wool as was ever raised in those sections. Flock masters have often shown many of the characteristics of sheep, in so far as they are controlled by impulses and follow the example of leaders, and it has been popular to decrease sheep and to desire to get rid of them.

Now, there should be a popular demand again for sheep, and every farmer should endeavor to acquire them, and if the grower does his duty in this respect, in a comparatively short time the American manufacturer will no longer be dependent upon Great

Britain and Australia for his supply of the higher grades of wool. As a matter of national protection in time of war, and as a matter of the promotion of one of the greatest agricultural interests, a protective tariff on wool is essential and indispensable.

There is one feature of the desirability of woolgrowing that has not had proper consideration. The wool clip is the first crop which the farmer has for sale in the spring, and in addition to the ready money which this produces, in order to supply the household needs, there is besides a crop of lambs every spring that add to the value of this industry.

The bicycle and electricity have so largely usurped the use of the horse that this industry is no longer profitable of investment. The capital used in raising colts, including hay and grain consumed by them until they are matured and ready for sale, if invested in sheep husbandry would bring tenfold larger return, and as the beneficent effect of the McKinley tariff is demonstrated, this restoration has arisen by guaranteeing permanence, so that investment in sheep husbandry is free from the hazard of uncertainty and want of permanence.

I take it that the American people had no intention, in the election of Grover Cleveland, of sacrificing the great American wool industry, which at that time was the seventh largest agricultural industry, and the proof of this is found in the selection of the foremost apostle of protection as the desire of the people of the United States for the successor of President Cleveland. The election of President McKinley represented a large popular wave, patriotic and American throughout, which will be fulfilled with the restoration of the McKinley Act under the Dingley law; and with the sad experience of the experiment during the interval of its suspension, this generation is not likely again to permit a successful attack on the great industry of sheep husbandry.

The American woolgrower is to be congratulated on having representatives in Congress so successfully taking care of his interests, for the manufacturers of the East believed that the restoration of the McKinley rates invited their early overthrow and would guarantee lack of permanence for the new act; and while most of them recognized the justice of full and adequate protection to the woolgrowers, they believed, and conscientiously believed, that lower duties than the McKinley law would be ample protection and would restore the flocks, so that the accomplishment of the recovery of rates as high as the McKinley rates, while a matter of surprise to everybody, is nevertheless a singular triumph of the woolgrower through the devotion and patriotic and tireless efforts of their friends in Congress, and the initial movement which has so happily secured so much better rates for wool than many of its most earnest friends ever imagined possible should be credited to the representation which the woolgrowers had in Mr. DINGLEY'S Committee on Ways and Means.

Now, Mr. Speaker, so much for the wool schedule in this bill. It is possible that the price of woolen goods may advance slightly, but if so, there will be money to pay for woolen goods, and the benefit will be distributed through the agriculturists to the whole country. Will the woolgrowers of the United States go back to free trade? No wonder that the distinguished gentleman from Texas [Mr. BAILEY], seeing the handwriting upon the wall, has announced himself for a protective tariff on raw material, which includes wool. Nevertheless the Democratic party of the United States is unalterably opposed to the protection of wool. It has shown itself thus at every recurring opportunity, and it remains to be seen whether the woolgrowers of the country will again contribute to the election of a Democratic Congressman, a Democratic United States Senator, or a Democratic President of the United States.

Elections are just before us involving the voice of some of the great States upon this very question. In the State which I have the honor in part to represent on this floor the issue will be presented without qualification. The legislature to be elected this fall will voice the sentiment of the people of Ohio. No State suffered more by the election of Cleveland and a Democratic Senate and House than did Ohio. No State suffered the loss of a better industry than did Ohio by the overthrow of the wool industry; and the voters of Ohio, the woolgrowers of that State, have now an opportunity to vindicate the action of this Congress by voting the Republican ticket and standing by a protective tariff upon the wool product of Ohio.

Mr. Speaker, they will not go back to Democratic destruction. No amount of persuasion will ever again cause the woolgrowers to falter in their allegiance to the Republican party. Give them this protection and the agricultural wealth of Ohio and Michigan and all the States West and Northwest will rapidly increase and permanently occupy a high position. But give us a Democratic Senate and a Democratic House and a Democratic President, and all will be lost. The first effect of Democratic interference was more than \$200,000,000 struck down as though it had been burned up in a fire. The people of the country will take care of themselves upon this question in the future as they have in the past.



## The Tariff.

## SPEECH

OF

HON. JOHN A. MOON,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

The House having under consideration the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. MOON said:

Mr. SPEAKER: It is not my purpose to enter into an exhaustive or detailed discussion of the tariff, a question second in importance only to the financial issue; nor, indeed, can I hope to suggest new thoughts or impress my views on this House, but rather to record, by the courtesy of the House, some of the reasons for my unyielding opposition to the doctrine of a protective tariff.

Mr. Speaker, the representatives of the people under a constitutional government must find justification in the organic law for every exercise of the functions of government, whether executive, ministerial, or legislative; for every infraction of fundamental law unrebuked adds to the power of the forces engaged in the transformation and overthrow of popular institutions. Sovereignty or supreme power, from the exercise of which there is no appeal, belongs to the people.

State governments are the instruments ordained by the people of the respective States for the exercise of State sovereignty, and the Federal Government, ordained and established by sovereign States for their mutual welfare and benefit, was, within the limitations of the Federal Constitution, made absolutely sovereign as to all the power expressly conferred by that Constitution or fairly to be implied from the powers granted, and Congress was made the instrument to enforce by legislation the principles of the Federal Constitution. One of the most important powers granted to Congress was the right to "levy and collect taxes, duties, imposts, and excises, to pay debts and provide for the common defense and welfare of the United States."

Thus comes from the Constitution the right and power of Congress to levy and collect taxes, duties, imposts, and excises. When this great power is invoked and tribute laid upon the people, for what purpose shall it be done? To enable the Government which the people have ordained for their common defense and the general welfare to be administered and the purpose of its creation accomplished.

The right of the Government to levy this tariff or tax and appropriate the same to its use exists alone by the consent of the people under the powers granted by them in the Constitution, and the recompense which the citizen has in common with all others is the protection of life, liberty, and property by the Government, which can lawfully demand this tribute from him for that purpose alone.

It follows, therefore, that so long as the Congress of the United States shall confine the exercise of the taxing power to the raising of revenue to be expended by the Government in the performance of its legitimate functions, the Constitution is not infringed; but when Congress shall depart from the constitutional principle and mandate of taxation and levy taxes, imposts, duties, and excises for any other purpose than the collection of revenue for the legitimate use of the Government, it has broken the guards of the Constitution which called it into existence and fixed the limitation and measure of its power; it has then set at defiance the will of the people and given over their substance to pillage and public plunder. Can it be that a government whose powers are limited and defined by a constitution shall reach beyond that constitution for power?

That the United States Government can exercise no act of sovereignty not expressly delegated to it by the Constitution and not fairly implied from the power granted is a principle of construction always recognized (theoretically at least) by both the State and Federal judiciary. Let us apply the protective-tariff policy as contained in the bill now pending in this House to the test of this constitutional principle. This bill is entitled "An act to provide revenue for the Government and to encourage the industries of the United States."

So far as the purpose of the bill to raise revenue, as stated in its caption, is verified by its provisions, it is within the Constitution, and subject to no objection as a matter of principle; but the expressed purpose to "encourage the industries of the United States" by levying a tax in their interest is extra constitutional. Does the Constitution authorize the taxation of the people directly or indirectly that manufacturing industries may be pro-

moted and encouraged? Or will it tolerate the levy of duties, imposts, and excises in such manner as that they shall not be uniform throughout the United States?

If so, this would be an express grant of power, and Congress would be authorized to impose taxes for such a purpose, and might so impose the burden of taxation that uniformity would not exist. But the Constitution contains no such provision, nor does it anywhere grant an exercise of power from which such right of taxation could be fairly implied. The purpose, therefore, to tax in the interest of and for the "encouragement of industries" is obnoxious to the Federal Constitution and offensive to our sense of common justice. None but a conquered and humiliated people would submit to such a constitutional provision if it existed. If our Constitution were burdened with such a slavish provision, it would be the sacred duty of every freeman to aid by lawful measures in overthrowing it.

Putting aside the consideration of this question as obnoxious to fundamental law, as a question of common justice, expediency, or policy, it must be apparent to all who shall impartially view the general proposition of protection of industries by indirect taxation for their benefit that the theory rests upon an unsound principle and that its application would be ruinous to all classes except those engaged in the protected industries. None who believe in the capacity of men to rule themselves under a republican form of government are prepared to deny that equal and exact justice to all and special privileges to none is the only true rule of action in the formation or administration of law.

If equality before the law be the principle of republics, then only the advocates of unequal rights and despotic power can consistently urge a system of taxation that shall "encourage industries" by levying and collecting taxes indirectly, by customs duties or otherwise, from all other persons for their benefit. Would it be wise to so frame a tariff law that in the levy of taxes special advantages and benefits would accrue to the professional man alone? The world would laugh the proposition to scorn. Yet, as a matter of right, he would be as much entitled to the advantage as the manufacturer, since neither is entitled to such advantage.

No government in imposing taxes has the legal or moral right to intentionally benefit one or more classes of its citizens to the detriment of all others; and no law which is unequal in its benefits or application can fail to injure the mass of the people; and this injury falls most heavily and with unerring certainty upon the weak and powerless of society. When Congress is actuated alone by motives of the purest and most disinterested patriotism, when the wisest counsels prevail, and when the utmost skill and wisdom in legislation is called into requisition, no revenue law can ever do exact justice to all classes, even when the principle of uniformity and equality in taxation is determinately adhered to; but when equality in taxation is denied, when special advantages, bounty, and compensation are openly and boldly announced as true principles and worthy precedents, when we are admonished in Congress by legislation that the farmer, the merchant, and others of the common people have no rights which "Congress," under the control of the manufacturing magnates, should respect, then the time has come for the citizens to pause and take order for the future safety of the Republic.

It is useless for gentlemen to indulge in sophistry common to every drama of villainy and fraud. Every conscious man knows that Government has no right to tax him simply to benefit another; that no law is just which in its operation encourages and protects certain interests, enabling them to enforce unwilling contributions from him in the purchase of necessary but protected manufactured articles. A protective system of taxation by partially or totally excluding imposts destroys to that extent foreign competition with the home manufacturer in the markets, and thereby enables him to add to the cost of his productions not only legitimate profit but the amount of the duty in addition thereto. The custom duty is thus totally or partially denied to the Government, but the people pay it to the manufacturer in the additional profit he is thus enabled to charge for his goods. This is a direct and unjust advantage given by the act of the Government to one class of its citizens over all others. The Government thus becomes paternal and fostering to the privileged and protected manufacturer and alien and hostile to all other citizens.

When the protective policy in its application reaches the point of prohibition on imposts by excessive duties, the Government ceases to obtain revenue from the article; but the consumer of the article is subjected to the payment of a price covering the duty in its sale at the will of the manufacturer, and his burden of taxation on other articles of consumption is doubled, for the Government's revenue must be obtained. The Government, for its own use, has a right to tax the citizen, and in return for the tax the citizen is entitled to receive benefits in common with all others in the exercise by the Government of beneficent action; but it is denied that the Government has the moral or legal right to so adjust the levy and collection of imposts and customs duties or taxes that the ordinary citizen, in the purchase of manufactured goods, can by

the law itself be made to pay tribute to the manufacturer. And yet this is the only way in which these "industries" can be or are sought to be "encouraged" under this bill.

The schedules fully disclose the purposes as indicated in the caption. The bill, Mr. Speaker, is the enforcement of the doctrine that the classes are entitled to consideration by the Government to which the common people are not entitled. It is a surrender of the people's Government to those who would use it to exact unlawful tribute from them. The classes alone have been consulted. Revenue for the Government is made the incident to protection that monopoly may be afforded to the manufacturer. The only taxation authorized by the Federal Constitution is for the purpose of producing revenue for the maintenance of the Government itself.

A wise policy would dictate that no more revenue should be raised by taxes on the people than would be necessary for the support of the Government economically administered, and that in levying a tax for this exclusive purpose the necessities of life should be taxed as lightly as possible and that the greatest burden should rest on the luxuries, to the end that the great mass of people who are unable to indulge in luxuries may have the necessities of life at as low cost as possible. And it seems just that taxes should be so levied that those who receive the greatest blessings from Government in the protection and defense of their great material wealth should contribute to the Government of their means in proportion to their interests and their capacity to pay.

But this is not the policy of the pending tariff bill. It imposes the heaviest taxes on the articles of daily necessary consumption by the people; it lays the heavy hand of taxation on the articles of food and raiment of the common people. It makes those pay most who are least able to pay, and confers benefits on those who least need them in the preferences shown to "encourage industries." It deals in differentials, compensatory duties, and bounties for the wealthy corporations and monopolies, and in taxation, as tribute to them, on the common people. Even when a beneficent and legitimate policy is pursued, the question of just taxation is always vexatious. The direct and indirect tax are alike burdens to the people.

But taxation for the Government support must exist in some form. The Government can not move without revenue, but there is no reason in raising it to impose by the method of its assessment burdens additional to the needed revenue for the benefit of favored classes. In our dual system of State and Federal governments the people have been accustomed to a direct levy of taxes by the States, counties, and municipalities thereof in the shape of a capitation, specific, and ad valorem tax. The capitation tax, except a small sum, has seldom been levied, because of the apparent injustice of this method of taxation. The poor man with but slight material interests to protect does not receive that benefit from the Government to which he pays the tax that the man of large means obtains, and therefore should not pay the same tax; but receiving protection to life and liberty, he justly owes to the Government some financial support.

The ad valorem tax, or tax on the corpus of the property in proportion to its true value, with the exemption of a reasonable portion for the absolute needs of life, is the most practical and just method of taxing tangible property; but hidden wealth in money, bonds, and stocks can not be easily reached by this method, and equality on the basis of direct taxation, so as to subject all property to the payment of revenues, can never exist until taxes are levied on and in proportion to the incomes of men. These principles apply with equal force to State and Federal taxation. The people see and feel this method of taxation and appreciate its necessity, and can readily check the abuse of the taxing power. But the payer of Federal taxes is generally oblivious to the burdens resting upon him.

This tax is indirect. It is neither a capitation nor ad valorem tax, but one on the consumption of food, raiment, and the implements of industry. It is an invisible tax, yet, with the same force as the direct tax, it appropriates the property of the citizen. It is unseen, but is felt. The importer pays the tax in the first place. He adds his profit to the cost of the article, and then adds the customs duties to the price at which he sells. The consumer, therefore, finally pays the customs duties, which are thus concealed in the price of the article which he purchases.

The Government, when customs duties are not so high as to exclude importation on a given article, gets the benefit of the tax on the article thus indirectly but finally paid by the consumer; but when the duties are so high that importation is excluded and competition therefore destroyed, the Government receives no revenue from the article, and the manufacturers, having a monopoly, can add not only the amount of the customs duties to the cost of the legitimate profits, but under the practice and operation of the modern system of trusts competition between home manufacturers is destroyed, and the citizen is thus left to the merciless greed of those "industries" which this bill seeks to "encourage."

The principle of collecting revenue for the Government by cus-

toms duties is not criticised; it is a constitutional mode; but the method of taxation under this system by which the revenue becomes at times diverted from the Government for the benefit of the manufacturer is a just subject of criticism. An impartial levy of the indirect tax would fail of the proper imposition of revenue burdens on the basis of uniformity and equality in taxation unless supplemented by a tax on incomes to reach those citizens who receive benefits in the protection of their great interests by the Government far beyond their contribution to the Government under the indirect-tax system. Many of the advocates of the protective or confiscatory system of taxation are honest in their convictions and patriotic in their motives. If it were otherwise, there could and would be a speedy settlement of the issue. We think that their views are the outgrowth of a misconception of the true doctrine of taxation and of the cardinal principles of free institutions.

They do not contend for equality in taxation; they ignore this principle and discard it as unsound. They insist that the Government should confer special benefits on certain classes. They have no faith in the doctrine of equal and exact justice to all; but they are not all dead to moral duties and obligations. They do offer an apology for their apparent indifference to the common rights of all men, inasmuch as they justify the protective idea on the ground that the benefits obtained by the manufacturer by a protective tariff are so great as to enable them to conduct with increased capacity and labor their factories, thus giving employment to labor and affording means to the laborer to buy the products of the farmer and the goods of the merchant.

This is the excuse for diverting the power of the Government from its legitimate purpose to benefit a class. The supposed result is only partially true. As a matter of fact, the manufacturer may increase his plant and employ more labor and afford an additional or increased market to the farmer and merchant, but their benefits can only be where the particular plants are situated, and are strictly local; therefore only the manufacturing sections can get an indirect and temporary benefit from the preference shown the manufacturer. He becomes rich, while the whole country suffers irreparable loss from the policy, as the people pay the tax which contributes to the manufacturer's wealth when forced to buy his products at an abnormal price.

This principle of taxation is wrong, and it can never be made to operate other than in the interest of the classes. It had its origin in the false assumption that the Government should exercise paternal care over infant industries by a protective tariff, and it can find continuation only because these industries have now grown into monster powers, and in their advancing growth and constantly increasing strength and the enjoyment of immunity they have developed conditions and created sentiments which, although dangerous to liberty, enable them to now demand as a matter of right from the Government which nurtured them that which they once sought as a gracious favor. We can not indulge in a pernicious policy of taxation without suffering the consequences of a departure from correct principles. The Government has fostered monopoly until monopoly has usurped the Government and sits enthroned in power.

Why, then, discuss the schedules? The schedules of a tariff bill framed on lines of inequality and special favors are not the subjects of intelligent discussion, for, the true principle of constitutional taxation having been departed from, the schedules can only be the accomplished pillage of those corporate interests that have succeeded in putting their ratio of public plunder in the bill. The opportunities of all to be favored are equal when the principles of the bill open the schedules for this competition among the industries that are to receive benefits from the legislation. The race in such case is to the strong, and the doctrine of the survival of the fittest among public plunderers is invoked.

When we shall return to the true principles of taxation, duties will be fixed as nearly just as possible on articles of importation for the sole purpose of obtaining sufficient revenue, and no more, to meet the exigencies of government; we will make no discrimination for any class, but deal on the basis of equality with all interests in every section of the great union of States, assessing the revenues so as to destroy the tendency to monopoly and "break down the walls of protection and lead our commerce into the seas of the world."

The policy of a tariff for revenue only demands the legitimate exercise of the power of Congress for the common benefit of all of the people in procuring revenue for the Government. A tariff for protection not only demands this lawful revenue, but affords a method of confiscation of the people's substance by the "protected industries." One system is just, the other is despotic. One is Democratic, the other is Republican.

Mr. Speaker, it is conceded that the tariff duties under this bill are the most excessive that any Congress has yet undertaken to levy; and it is worthy of note that the more powerful of the great combines, trusts, and corporations of the country have secured the highest rate of duty on the articles manufactured and



controlled by them. These great monopolies are the masters of the situation. Have they conquered Congress? Are they dictating the nation's fiscal policy? Are they closing the ports of the world to the trade of this Republic? Shall they in these halls, where once the voices of patriots resounded and brave and honest men vied in advancing the glory of the Union, silence American Representatives and throttle debate?

Is the Government at last in their hands? Have they come at last to inform us that the doctrine of equality and justice taught by our fathers is a heresy, and that monopoly is indeed the genius of a free state, and that the trust is a blessing to the weary and disheartened toiler? We can not conceive that a personal conspiracy exists on the part of any of our countrymen against the liberties of the people; but conditions unfavorable to the perpetuity of free institutions are arising to engender gloomy forebodings for the future, and to make sad the hearts of those who love a pure and simple republic. They are the workings of those silent forces which threaten the permanency of republics when constitutional principles have been departed from and false theories of government set up in their stead.

How long can freedom exist when the sovereign power of taxation is used to foster the interest of classes against the common people, and when Congress delegates its power to national banks to issue and control the currency of the country, and when the Federal judiciary is steadily encroaching on the reserved rights of States and destroying constitutional barriers and long-established precedents for the benefit of corporate power? How bright should the dream of our country's glory be? Upon the proper solution of the questions of the currency, taxation, and Federal court usurpation depends the permanency of the Republic. These questions can never be determined in the interest of the masses of the people until the national bank is deprived of the right to issue or in any way control the national currency, and the Government again resumes the issue of its currency and the free coinage of silver, and levies its taxes on the basis of equality for revenue only, and strips the Federal judiciary of the power of usurpation.

The great struggle for the restoration of constitutional government to the people has begun. The power and influence of its enemies must not be underestimated. The wealth of this continent and its allied forces in Europe are in the opposition. Their emissaries are assiduously engaged in every hamlet, village, and city of the Union. It is but the repetition of history. If we could catch the spirit that inspired Washington, Jefferson, and Jackson; if the blood of the Revolutionary fathers could once more quicken in the veins of their posterity; if the sordid thought of life could yield to the lofty impulses of patriotism, these sinister influences would end, and another decade give us financial and commercial independence and determine the dead line of Federal jurisdiction, and remove from the Constitution the last taint of limited monarchy by amendments which would secure to the people a President and Cabinet, judges and United States Senators, as well as local Federal officers, by their direct vote at the ballot box. Then, Mr. Speaker, for the first time since the Republic was born, the American patriot for a moment may cease his weary vigil and lie down to dream of the future greatness and happiness of his country.

#### The Tariff.

#### REMARKS

OF

HON. JAMES A. TAWNEY,

OF MINNESOTA.

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

The House having under consideration the conference report on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. TAWNEY said:

Mr. SPEAKER: When this bill was under consideration in the House several months ago I availed myself of the opportunity to discuss generally its provisions, the necessity for its enactment, and the principles upon which it is based. Since then a great deal has been said in both branches of Congress concerning the wood schedule, and particularly the proposed rate of \$2 a thousand feet on rough lumber. My only purpose now is to point out, as well as I can, the fallacy of the arguments advanced by those who are opposed to this particular schedule, and to briefly explain some of the reasons for the rate which the Committee on Ways and Means originally imposed upon rough lumber and which the conference committee has restored.

The remarks to which I have listened, both here and at the other end of the Capitol, concerning the proposed duty of \$2 a thousand on white pine lumber, show conclusively that gentlemen are either ignorant of the facts or that they are willfully trying to deceive their constituents by misrepresenting the same. As it is more charitable, if not more just, to assume the former to be the basis of the opposition and the reason for the argument which gentlemen have advanced against this schedule, I shall proceed upon the former hypothesis.

#### THE OPPONENTS OF A DUTY ON WHITE PINE.

When this bill was under discussion in this body and in the Senate, certain distinguished members of both Houses taxed their physical endurance to the utmost—some even exceeding the limit—in their effort to create the impression that, comparatively speaking, the lumber industry was insignificant and of no importance; that only a few States were interested in its prosperity; that the business consists chiefly of manufacturing and selling white-pine lumber; that this species of coniferous wood is very limited both in area and quantity; that practically all the standing pine is owned by a very few persons and corporations (two Senators placing the number at "about a dozen"); that the entire product is controlled by these few men and concerns; that the purpose of the proposed duty is to more firmly fasten their grip upon the lumber industry; and that the effect of duty will in the near future denude our forests and increase the price of stumpage and lumber to the extent of the duty.

To prevent these evils and avert this terrible calamity, it was proposed in the Senate to reduce the rate on white pine to \$1 a thousand, but no one in that body attempted, either by speech or by amendment, to reduce the proposed rate of \$2 a thousand on hemlock, spruce, cedar, fir, cypress, yellow pine, or any of the other woods. How ridiculously inconsistent would the schedule be with a two-dollar rate on these different classes of rough lumber and a one-dollar rate on white pine! But, Mr. Speaker, we should not be so uncharitable as to expect the jewel of consistency to be recognized, much less possessed, by the men who advocate this proposition.

#### THE EFFECT OF THE PROPOSED REDUCTION OF DUTY.

Let us briefly examine the effect of what these gentlemen propose, if enacted into law. In New England, and in a few of the other Eastern States, as well as in the Pacific Northwest, a very large proportion of the lumber used by the farmers in the erection of their houses, barns, and other buildings is spruce. In many other States, including Pennsylvania, Illinois, Iowa, Michigan, Wisconsin, Minnesota, and the two Dakotas, hemlock is used for these purposes, and is also used in the building of the cheaper buildings in our cities. In the Southern States it is the yellow pine that is thus used. In the South Atlantic and Gulf States, cypress and yellow pine is the lumber chiefly used by this class of our people, while south of the center of Nebraska to the Mexican line and west to the Rocky Mountains 60 per cent of the lumber used by the farmers and poorer classes in cities is the long and short leaf yellow pine; and west of the Rocky Mountains fir, cedar, and other redwoods constitute the greater part of the lumber consumed by this class of our people.

On all these different varieties of lumber thus used by the farmers and by all classes throughout this broad land the proposed duty is \$2 a thousand feet, and these distinguished gentlemen, who could not tell a white pine from a tamarack tree, did not even complain, much less could they find any excuse for offering an amendment reducing this rate from \$2 to \$1 a thousand feet, as they did in the case of white pine. But the two-dollar rate on white-pine lumber, lumber which readily sells in the open market as high as \$50 a thousand feet and is used in the construction and in the inside finishing of mansions and the less elegant residences of the rich, is to them an abomination and an outrage that ought not to be tolerated, much less permitted. If, as these men claim, the consumer pays the duty, then on the poor man's lumber they seem perfectly willing that a tax of \$2 a thousand should be imposed, while on that variety of lumber known as white pine and used chiefly by the wealthy they demand that the tax be reduced to \$1 a thousand.

The conference committee is to be commended for having restored the uniform rate of \$2 a thousand on all these different varieties of lumber. No reason has been, or can be, urged for discriminating against either variety.

But, Mr. Speaker, it may be of interest to inquire more fully into the alleged reasons which these enemies of white pine and substantial friends of the rich assign for demanding a high rate on the poor man's lumber and a low rate on the rich man's lumber. These various reasons may be grouped under three heads:

First, the extent and importance of the industry;

Second, the amount of supply and its ownership; and

Third, the purpose and effect of the proposed rate of \$2 a thousand feet.

## EXTENT AND MAGNITUDE OF THE INDUSTRY.

In the number of States interested, in the amount of capital invested, in the value of the product, in the number of separate manufacturing plants, in the number of men employed, and in the amount of wages paid no industry in the United States, except agriculture, equals the lumber industry. (See Circular No. 11, page 5, Agricultural Department.)

According to the census of 1890, there was invested in this industry at that time \$750,000,000, while the estimate of those acquainted with the growth and development of the business shows that in 1893 this investment reached the enormous sum of more than \$1,000,000,000. The manufacture of lumber is a leading industry in more than two-thirds of the States.

There are 25,000 separate manufacturing plants distributed from Maine to California and from the Lakes to the Gulf. If we add the planing mills and other allied industries, the number would reach 45,000. The output of these plants in amount and value varies from 5,000 to 500,000 feet per day and from \$2 to \$75 a thousand. The lumber industry gives employment to over 600,000 men, and furnishes homes to, feeds, clothes, and protects more than 3,000,000 of our population, and this does not include those engaged in the retail lumber trade, while indirectly, in transportation by vessel and rail, in the manufacture of mill machinery, and in the purchase of food and other camp supplies, this industry contributes more than any other to the support and maintenance of at least one-tenth of our total population.

According to the estimate of the Forestry Division of the Agricultural Department, the total annual cut of the sawmills of the United States, including all material requiring bolt or log size, is estimated at 40,000,000,000 feet, B. M. It is made up of the following kinds:

	Feet, B. M.
White pine.....	12,000,000,000
Spruce and fir.....	5,000,000,000
Hemlock.....	4,000,000,000
Long-leaf pine.....	4,000,000,000
Short-leaf and loblolly.....	3,000,000,000
Cypress.....	500,000,000
Redwood.....	500,000,000
All other conifers.....	1,000,000,000
<b>Total conifers.....</b>	<b>30,000,000,000</b>
Oak.....	3,000,000,000
All other hard woods.....	7,000,000,000
<b>Total.....</b>	<b>40,000,000,000</b>

From these figures it will be observed that the annual output or product of the white-pine lumber industry comprises only a little over one-fourth of the total quantity of lumber manufactured in the United States. It further appears that the varieties of woods from which this lumber is manufactured includes every species of timber known to our soil—the spruce of New England, New York, the Virginias, and the Pacific Northwest; the white pine and hemlock of North Carolina, Pennsylvania, Michigan, Wisconsin, Minnesota, and Idaho; the long and short leaf yellow pine of the Southern States; the cypress of the South Atlantic and Gulf States; the poplar and hard woods of the Ohio and Mississippi valleys, and the fir, cedar, and other red woods of the Pacific Coast.

## QUANTITY OF STANDING TIMBER.

The aggregate quantity of these different varieties of coniferous woods is so enormous in this country that no reliable estimate of the same has been or can be made. But this fact is not material except in so far as it shows that our supply at this time is practically unlimited, and many of these woods reproduce themselves. The attack upon this particular schedule of the pending bill has been aimed directly and entirely against white pine. The condition which renders it impracticable to estimate the quantity of all other woods likewise interferes to prevent an accurate estimate of the amount of standing white pine. In circular No. 11, issued by the Department of Agriculture, Division of Forestry, it is stated that a very rough and probably very liberal estimate of the amounts of timber standing in the various regions ready for the ax would give the following figures:

	Feet, B. M.
Southern States.....	700,000,000,000
Northern States.....	500,000,000,000
Pacific Coast.....	1,000,000,000,000
Rocky Mountains.....	100,000,000,000
<b>Total.....</b>	<b>2,800,000,000,000</b>

This estimate, it will be observed, does not include the virgin forests yet unexplored and unsurveyed, and therefore at this time unavailable for manufacturing purposes.

Those interested, including the States and the Federal Government, have caused to be made careful estimates of the standing white pine. From this source I learn that in the State of Michi-

gan there is about 20,000,000,000 feet of standing white pine; in Wisconsin, between twenty-five and thirty billion feet, and in the State of Minnesota, between thirty-five and forty billion feet, the maximum, according to these estimates, in these three States alone being 90,000,000,000 feet and the minimum 80,000,000,000 feet.

It must be remembered also that the total quantity of white pine in this country is not located in these three States alone. The States of Tennessee, North Carolina, Pennsylvania, Idaho, and other States each have very large quantities of this variety of coniferous wood. It would be well for those who predict that our white pine in the next five or ten years will be completely exhausted to recall the prophecies made after the publication of the statistics in the Tenth Census concerning the supply of white pine. Time has proven the extreme and absolute inaccuracy of these statistics and the predictions based thereon, for, while then it was claimed that only eight years' supply of white pine was standing, when the annual cut was 10,000,000,000 feet, we have, with an increased cut, lumbered white pine for sixteen years, and still there is an enormous quantity left.

In every respect the lumber industry is more national than any other except agriculture. It is not limited to the manufacture of white pine, as some would have the country believe. It includes lumber made from every variety of coniferous and hard woods in every part of our country. That our supply of white pine is infinitely greater both in quantity and area than has been represented in both Houses of Congress can not be questioned.

## IMPOSSIBILITY OF A TRUST CONTROLLING THE INDUSTRY.

But, Mr. Speaker, in the hope and for the purpose of exciting the prejudices of the people against those who have favored and voted for the duty of \$2 a thousand on white pine, it has been asserted, not here, but at the other end of the Capitol, that all our standing white pine is owned by about a dozen multimillionaires, or, in other words, that it is owned and controlled by a trust, and that this modern octopus will be the sole beneficiary of the two-dollar rate on this class of lumber. They have even gone so far as to figure the exact number of dollars which they say this trust will receive as a result of the proposed duty, because, they tell us, the duty will be added to the price and paid by the consumer. If that is so as to white pine, then the owners of timber and manufacturers of lumber other than white pine will derive a like benefit from a duty of \$2 a thousand on their product.

According to this theory, based upon the figures which I have given, showing the amount of lumber manufactured from these other woods annually to be 28,000,000,000 feet, the owners and manufacturers of hemlock, spruce, and all other kinds of lumber, except white pine, will reap an annual profit of \$560,000,000.

If the opponents of the two-dollar rate on white pine are sincere, if they believe what they say about the effect of this duty, why did they not attempt to prevent these enormous profits on other lumber by proposing a reduction of the duty from \$2 to \$1 a thousand, as they did in the case of white pine?

No, Mr. Speaker, the motive of their attack upon white pine is not the one assigned, nor is it because these gentlemen believe what they say, but believing the popular impression to be that white pine constitutes almost all that there is of the lumber industry of our country, they think it will be easier to accomplish their political purpose by assailing that particular branch of this industry, and thereby incidentally benefit the few Americans who have cut and sold their timber in Michigan under a two-dollar rate and who have since gone to Canada and there bought stumpage and now wish to import into our market their Canadian lumber free of duty.

Mr. Speaker, how false and ridiculously absurd is the proposition that all the white pine in this country is owned by only a few individuals or corporations, and that it is or can be controlled by a trust or a combination of any kind. Recently I received a letter from Hon. M. G. Norton, of Winona, Minn., whose reputation for truth and reliability is second to none in our State, transmitting a statement containing the names of 158 individuals and corporations who own standing white pine in the States of Minnesota and Wisconsin alone, and with whom he is personally acquainted. This statement is as follows:

## Owners of Minnesota white pine—65.

Clinton, Iowa—W. T. Joyce, W. J. Young estate, C. Lamb & Sons.  
 Dubuque, Iowa—Standard Lumber Company.  
 Lansing, Iowa—Lansing Lumber Company.  
 Winona, Minn.—Empire Lumber Company, Youmans Bros. & Hodgins, H. W. Lamberton, Laird-Norton Company.  
 Hastings, Minn.—R. C. Libby & Co.  
 St. Paul, Minn.—F. Weyerhaeuser.  
 Minneapolis, Minn.—F. B. Walker, Akeley Lumber Company, Boose, De-  
 laltro & Co., Carpenter, Lamb & Co., J. W. Day & Co., Gull Run Lumber  
 Company, Nelson Tenney & Co., Scanlon & Gipsen Company, Shevlin-Carpen-  
 ter Company, St. Hilaire Lumber Company, C. A. Smith & Co., C. A.  
 Pillsbury, St. Paul and Duluth Railway Company, Northern Pacific Rail-  
 way Company, Chicago, St. Paul, Minneapolis and Omaha Railway Company,  
 Duluth and Winnipeg Railway Company.  
 Little Falls—Pine Tree Lumber Company.  
 Brainerd—Brainerd Lumber Company.



Rock Island, Ill.—Rock Island Lumber Company, Weyerhaeuser & Denkmann.  
 Stillwater, Minn.—Jacob Bean, H. F. Hersey, East Side Lumber Company, Isaac Staples, Malloy Bros. & McClure, Mulvey & Carmichael, Otis Staples, William O'Brien, Merriam estate, J. S. & John O'Brien, David Toger, William Sautry, Musser-Sautry Company, E. W. Durant, Nelson & Johnson, St. Croix Lumber Company, Walsh, Donovan & Co., O'Neal Bros.  
 Willow Run, Minn.—Atwood Lumber Company.  
 Rutledge, Minn.—Rutledge Lumber Company.  
 Foley, Minn.—Foley Bros.  
 Melaca, Minn.—Foley & Bean Lumber Company.  
 Cloquet, Minn.—Cloquet Lumber Company, Northern Lumber Company, Johnson-Wentworth Company.  
 Duluth, Minn.—Cranberry Lumber Company, Duncan Brewer & Co., Merrill & Ring, Mitchell & McClure, Poyton, Kimball & Barber, B. B. Richards Lumber Company, Scott & Holden Lumber Company.  
 Davenport, Iowa.—Cable Lumber Company.  
 Little Falls.—Charles Weyerhaeuser.  
 Chippewa Falls.—Edward Rutledge.

*Owners of Wisconsin white pine—80.*

Hannibal, Mo.—Hannibal Sawmill Company.  
 Keokuk, Iowa.—Carson-Hand Lumber Company.  
 Burlington, Iowa.—Burlington Lumber Company.  
 Muscatine, Iowa.—Hershey Lumber Company, Musser Lumber Company.  
 Davenport, Iowa.—Lindsay & Phelps, Chr. Mueller & Sons.  
 Clinton, Iowa.—W. T. Joyce, C. Lamb & Sons.  
 Winona, Minn.—Laird-Norton Company, H. W. Lamberton, John Robson.  
 Quincy, Ill.—Gem City Lumber Company.  
 Rock Island, Ill.—Weyerhaeuser & Denkmann, J. P. Weyerhaeuser.  
 Moline, Ill.—Dimick, Gould & Co.  
 La Crosse, Wis.—C. L. Coleman, John Paul, H. Goddard, La Crosse Lumber Company, Hixon estate.  
 Stillwater, Minn.—Jacob Bean, Hersey & Bean, Isaac Staples, Merriam estate, J. S. & John O'Brien, Musser-Sautry Company.  
 Mason, Wis.—White River Lumber Company.  
 Drummond, Wis.—Rust-Owen Lumber Company.  
 Hayward, Wis.—B. L. McCormick, North Wisconsin Lumber Company.  
 Shell Lake, Wis.—Shell Lake Lumber Company.  
 Cumberland, Wis.—Beaver Dam Lumber Company.  
 Rice Lake, Wis.—Rice Lake Lumber Company.  
 Park Falls, Wis.—Park Falls Lumber Company.  
 Neenah, Wis.—Henry Sherry.  
 Phillips, Wis.—John R. Davis Lumber Company.  
 Eau Claire, Wis.—Daniel Shaw Lumber Company, Valley Lumber Company, H. C. Putnam.  
 Tomah, Wis.—C. A. & D. A. Goodyear.  
 Marinette, Wis.—Luddington, Wells & Van Schank, Peshtigo Lumber Company, Sawyer-Goodman Company, Hamilton-Merriam Company, H. Wittbeth Company.  
 Oshkosh, Wis.—Philetus Sawyer, Payne Lumber Company.  
 Ashland, Wis.—Ashland Lumber Company, Keystone Lumber Company, Shores Lumber Company.  
 Manistee, Mich.—Canfield Company.  
 Washburn, Wis.—Bigelow & Co.  
 Bayfield, Wis.—R. D. Pike Lumber Company.  
 Iron River, Wis.—John Gund Lumber Company, Lee-Ingram Lumber Company.  
 Milwaukee, Wis.—F. C. Bogle.  
 Riblake, Wis.—J. J. Kennedy.  
 Starlake, Wis.—Williams, Salsich & Co.  
 Chippewa Falls, Wis.—Chippewa Lumber and Boom Company, Chippewa Logging Company, Mississippi River Logging Company, Edw. Rutledge, W. E. McCord, R. D. Marshall, Earley Est, Flambeau Land Company, M. P. Larrabee, Macdowell & Irvine, R. D. Viles.  
 Eau Claire, Wis.—Davis-Starr Lumber Company, Dells Lumber Company, Half Moon Lumber and Shingle Company, Northwestern Lumber Company, J. S. Owen, Rust-Owen Lumber Company.  
 Menomonie, Wis.—Knapp, Stout & Co. Company.  
 Fairchild, Wis.—N. C. Foster.  
 Marshfield, Wis.—Upham Manufacturing Company.  
 Grand Rapids, Wis.—John Aspin.  
 Hurley, Wis.—Montreal Run Lumber Company, Kimball & Clark.  
 Mineral Lake, Wis.—Mineral Lake Lumber Company.  
 Rhinelander, Wis.—Brown Bros.  
 Tomahawk, Wis.—Bradly Bros. Company.  
 Merrill, Wis.—Merrill Lumber Company, T. B. Scott Lumber Company, H. W. Wright Lumber Company, Gilkey, Anson & Co.  
 Waunau, Wis.—Alexander Stewart.  
 Menasha, Wis.—Menasha Woodenware Company.

**In the letter accompanying this statement Mr. Norton says:**

We send you to-day, as per our telegram of this day, a list covering over 150 different owners of white pine in the States of Wisconsin and Minnesota. These are corporations and individuals that we happen to have personal acquaintance with, and know of their being interested in the ownership of lands containing white pine. If we had time to pursue this thoroughly, we think we should develop the fact that there are several thousand owners of white pine timber lands in this State and Wisconsin. We are constantly running against parties who are thus possessed of land, and among them are included widows and orphans and estates of men who, a long time ago, made what they called safe investments in this kind of property.

I suppose the idea of Mr. PETTIGREW and Mr. ALLEN was to show that the tendency of the lumber interest was toward a trust and a combination that would be hard on the consumer of lumber. Perhaps there is no other business in the world that is so far from being able to be controlled by a trust or a combination as the lumber business. There is such a diversity of interests that that sort of thing could not possibly exist, and the competition among all the different manufacturers is very sharp and very fierce, so much so that the manufacturers are now giving to the consumers lumber at less than the cost price.

I have also received communications from other reliable gentlemen in Minnesota and Wisconsin and who are thoroughly acquainted with the lumbering business of both of these States. Mr. William Irvine, of Chippewa Falls, Wis., writes that "there are over 500 individual owners of standing white pine in Wisconsin, not counting small holdings of homesteaders and farmers, of whom there are thousands. In addition, there are over a hundred lumber companies owning pine in this State." Mr. S. T. McKnight, H. A. Kelly, B. F. Nelson, and C. T. Smith, of Minneapolis, write me that "there are over 115 corporations and more

than a thousand individual owners of pine in Minnesota, including homesteaders and farmers."

In addition to this vast number of owners of standing white pine in these two States, it is a well-known fact that the Government owns a vast quantity of unsurveyed and unestimated pine-timber land, while the States of Minnesota and Wisconsin likewise own very large tracts. The diversified ownership, therefore, of the standing white pine and other timber and the vast number of independent and widely separated lumber mills make the formation of a trust for the control either of the standing timber or its product a physical impossibility.

But there is another factor which of itself would prevent a white-pine trust. It is the vast quantity of other lumber which competes with white pine and is used interchangeably with it. To form a lumber trust, therefore, one would have to combine almost every individual and every corporation owning standing timber or engaged in the manufacture of lumber.

Who would be fool enough to undertake the herculean task of combining the owners of the 25,000 separate lumber manufacturing plants and the several hundred thousand independent owners of standing timber for the purpose of controlling the lumber industry of our country? In the very nature of the case, therefore, the formation of a combination such as is claimed to exist is utterly beyond the power of man to accomplish.

To those who are inclined to believe that the price of lumber is necessarily increased by and to the extent of the duty, I would respectfully request their attention to the following table showing the average price of lumber in Minneapolis, Minn., the largest primary lumber market in the world, from 1879 to 1890, inclusive.

The following is the wholesale price of timber, joist and dimension, at Minneapolis on October 15 of the years named:

1879	\$11.00	1888	\$13.00
1880	12.00	1889	12.00
1881	13.00	1890	11.00
1882	15.00	1891	12.00
1883	15.00	1892	12.50
1884	13.00	1893	12.00
1885	13.00	1894	9.50
1886	14.00	1895	10.00
1887	14.50	1896	9.50

From this table of wholesale prices it will be observed that when the duty on rough lumber was reduced by the act of 1890, known as the McKinley law, from \$3 to \$1 a thousand, the price advanced from \$11 a thousand in October, 1890, to twelve dollars and a half in 1892. This fact can be verified from the books of every lumber concern in the Northwest, including the books of the lumbermen in the city of Winona. It is said to be a poor rule that will not work both ways. If the duty increases the price, its reduction should diminish that price. In the case of lumber, however, in 1890 the reduction of the duty had just the opposite effect. That the price of lumber will advance after the passage of this bill is no doubt true, but that it will advance to the extent and alone because of this particular duty, and independent of any advance in the price of all other commodities, is denied. All of our industries are interdependent. The prosperity of the one depends upon the prosperity of the other. To the extent that they all prosper, to that extent will each individual industry prosper.

**A TWO-DOLLAR DUTY NOT PROHIBITIVE.**

By some it is said that the two-dollar rate on rough lumber is a prohibitive duty. Let those who honestly believe this examine the statistics of the Treasury Department showing our imports of rough lumber prior to 1890, when the duty was \$3 a thousand, and they will find a complete refutation of this claim. During the year 1888 the duty on rough lumber was \$3 a thousand. That year we imported from Canada 608,836,000 feet of lumber, valued at \$7,397,078. Inasmuch as the importation that year was within 200,000,000 feet as much as we have ever imported in any previous or subsequent year, there is absolutely no ground on which to base the claim that the proposed rate of \$3 a thousand feet will be prohibitive.

If this proves to be a prohibitive rate, then almost every other rate imposed by this bill will, for the same reason, be a prohibitive rate, because an examination of the rates imposed by this measure will disclose the fact that the average ad valorem equivalents of the rates imposed in this schedule are far less than the average ad valorem equivalent rate of any other schedule in the bill. The average ad valorem equivalent of the rates on lumber is 16.53 per cent, while the equivalent ad valorem of the \$3 rate upon white pine, based upon the average value of the imported lumber, as shown by the statistics of the Treasury Department for 1893, would be 16.66 per cent, while the equivalent ad valorem of the \$2 rate on the higher grades of white pine is only 4 per cent.

There is not a schedule in this bill where the rates are nearly as low as they are in the wood schedule. Certainly, therefore, there can be no ground for claiming that these rates are prohibitive. As I have said before, if they are, then the rates proposed in all the other schedules will be likewise prohibitive, especially where they are imposed upon articles which we can produce.

A glance at the average ad valorem rates of duty imposed on the imports of our country in all tariff bills since 1870 will disclose the fact that the rates imposed by this lumber schedule on rough and all other kinds of lumber are from 20 per cent to 35 per cent lower than the average under any previous tariff law. These rates may be found on page 230 of the United States Statistical Abstract of 1896:

Year.	Per cent on dutiable imports.	Per cent on total imports, both free and dutiable.
1870	47.00	42.23
1871	43.95	38.94
1872	41.25	37.00
1873	38.07	26.95
1874	38.53	26.88
1875	40.62	28.20
1876	44.74	30.19
1877	42.89	26.88
1878	42.75	27.13
1879	44.87	28.97
1880	43.48	29.07
1881	43.20	29.75
1882	42.05	30.11
1883	42.45	29.02
1884	41.61	28.44
1885	45.80	30.59
1886	45.55	30.13
1887	47.10	31.02
1888	45.63	29.99
1889	45.13	29.59
1890	44.41	29.12
1891	45.28	28.25
1892	46.71	21.26
1893	49.58	23.49
1894	50.06	20.25
1895	41.75	20.23
1896	40.18	20.67

## PRESENT CONDITION OF LUMBER INDUSTRY.

The free importation of lumber since 1894 is not the only cause of the present low price of lumber and the decrease in wages and in the number of working days which this industry has heretofore furnished to labor. While it has contributed to that result, yet the present law, admitting so many other foreign products free of duty, and having reduced the former duties on others, caused the general depression in other lines of business and has greatly reduced the demand for lumber. This has left a large surplus of the domestic product on hand, and to this surplus has been added the large importations of lumber from Canada. This has overburdened our domestic market, demoralized the business, reduced prices, wages, and the number of days of employment.

That the lumber industry has suffered more during the past three years than any other is proven by the Weekly Review of R. G. Dun & Co., under date of January 8, 1897, in which it is stated:

Manufacturing failures average \$28,806 each and increased 34 per cent; trading failures increased 18 per cent and averaged only \$9,606 each. Over four-fifths of the increase in manufacturing and trading failures was in lumber and manufacturing, which was 170 per cent; dry goods, 50; woolen manufacturing, 161; clothing trade, 20; shoe trade, 87; leather and shoe manufacturers, 167; grocery trade, 33; machinery, 70; milling, 117; furniture, 90, and printing, 97 per cent. In ten other branches the increase was moderate, and in five, with the unclassified manufacturing and trading failures, the liabilities were smaller than in 1895.

The business failures among lumber manufacturers, dealers, carpenters, and coopers during the last three years show conclusively the very bad condition of the industry.

## THE EFFECT ON LABOR.

Taking 371 establishments in Minnesota as an example of the effect of the depression in the lumbering business, we find from the census of 1890 that in that year 9,314 mill operatives worked an average of nearly six and one-half months and received an average wage of \$43.75 per month. Under ordinary conditions, a large proportion of these mill operatives are employed in the woods during the winter season, but under the existing depressed condition of the lumbering business both the mill season and the woods season have been greatly lessened.

During the year 1896 the data relating to wages are in strong contrast to that presented by the Eleventh Census. Six concerns in Minnesota and Wisconsin show the following decrease in days employed and in wages paid:

	Days employment given all employees.		Amount paid in wages.	
	1892.	1896.	1892.	1896.
1	72,330	42,160		
2	75,309	34,176	\$141,477.75	\$64,935.90
3	53,656	40,230	99,798.53	73,570.95
4	54,187	23,638	87,902.71	39,230.57
5	25,402	24,148	59,585.51	54,282.28
6	136,192	70,296	210,310.92	110,674.74

From these figures it appears that in 1892 these six concerns furnished 417,066 days' employment to labor, while in 1896 they furnished only 237,648 days' employment, or a loss of 179,418 days' employment. It also appears from the foregoing figures that in 1892 these six different concerns paid in wages \$578,975.42, while in 1896 they paid only \$312,894.44, a loss in wages to the laboring man in the communities where these six plants are located, in one year alone, of \$266,080.98.

The lake group of States, which produce the greater part of all white pine cut, in 1890 paid in wages \$48,315,593. If the percentage of decrease shown by the companies above referred to holds good for the entire lake group, it would show a shrinkage of wages paid to labor of between twenty and twenty-three million dollars. That this is very likely to be the case is borne out by the facts showing the shrinkage in the cut for the past year. The four districts of Duluth, Superior, Minneapolis, and west Wisconsin and Saginaw show a falling off in 1896 from 1895 of over 850,000,000 feet, while Menominee, Marinette, Chequamegon Bay, and Merrill and Wausau show a falling off of 149,000,000 feet, or a total of 1,000,000,000 feet from the five districts reported.

## THE CONDITION OF THE LUMBERING BUSINESS IN CANADA.

The only market for Canadian lumber, except the better grades of white pine exported to Great Britain, is the United States. If the lumbermen in this country and the lumbermen of Canada produce lumber under equal conditions as to labor cost, etc., as claimed, then the business of the Canadian lumbermen must have suffered from the general depression of the business here in the same way and to the same extent as the business of their American competitors has suffered. If, on the other hand, the Canadian can produce lumber cheaper than the American, then the lumbering business in that country for the past four years has not felt the effects of the business depression here to the extent that the lumbermen of this country have. What are the facts? Pamphlet No. 10, published at the Ontario general election, 1894, informs us that—

The lumber trade is of Dominion concern, and perhaps ranks second in importance to Canada. All the provinces are more or less affected by the prices obtained and the markets available for sawed lumber, but to Ontario, Quebec, New Brunswick, and British Columbia—all large exporters of sawed lumber—the prosperity of the trade is of vital importance. The United States is practically our only market for sawed lumber and shingles, and its value may be judged from the fact that Canada sent there last year sawed lumber valued at \$8,900,000, and 357,000,000 shingles, valued at \$734,000, or a total value of \$9,634,000.

Speaking of the necessity for abolishing the Canadian export duty on logs as a consideration for the reduction of the duty imposed in this country upon Canadian lumber from \$2 to \$1 a thousand, this pamphlet says:

Under the operation of this system of reciprocity the money gain to Canadian lumbermen on lumber sent to the United States in 1892, including shingles, by reason of the reduction of the duty, would be \$1,000,000; but this is only a small part of the gain. The rougher grades of lumber were now capable of being marketed there at a profit, and it has been estimated by Colonel O'Brien, member of Parliament for Muskoka, and other competent authorities, and corroborated by the reports of the Crown timber agents and rangers of the Government, that from 30 to 50 per cent more pine timber is cut and marketed from the same area of licensed territory than was formerly the case. This means a large increase in the revenue of the province for material which had formerly gone to waste. It also means a large increase in the employment of labor and markets for produce.

In addition to the foregoing, we have the further fact which shows how the lumber industry of Canada has prospered during the past four years. That fact is found in the enormous increase in the importation of lumber from Canada from 514,461,000 feet during the fiscal year ending June 30, 1894, to 786,309,000 feet during the fiscal year ending June 30, 1896, an increase of 271,848,000 feet. Notwithstanding the fact that the consumption of lumber in this country was tremendously curtailed, that the United States has not in any twelve months since June 30, 1893, consumed to exceed 75 per cent of its annual consumption for several years prior to 1893, the Canadians have greatly increased the sale of their lumber in this market. Mills have been erected on Canadian soil, the employment of labor has increased, and the business has been more prosperous than for many years prior to 1890, while the American lumbermen have been obliged to curtail their output, reducing the number of days of employment as well as the wages of those employed. While they have been struggling to dispose of their product, especially their low-grade lumber, their Canadian competitors have maintained the volume of their sales, and have in fact increased them in the American market.

It is a remarkable fact that while our lumber has been lying idle in the piles awaiting buyers, the Canadian product has been moved in larger volume than ever before across our borders. This indicates clearly the danger to the lumber industry of our country from this formidable competition, which competition in the last few years has just commenced to be felt.

## DIFFERENCE IN LABOR COST.

A great deal has been said about the labor cost of producing lumber here and in Canada. I shall not stop to consider this phase



of the question, except to present to the House the following comparative table of wages paid at the Curtis Mills at Three Rivers, Province of Quebec, and the rate of wages paid at the Mitchell & McClure Mill, at West Duluth, Minn.:

*Comparative statement of wages paid at the Curtis Mill, at Three Rivers, Province of Quebec, and those paid at the Mitchell & McClure Mill, at West Duluth, Minn.*

Occupation.	Curtiss.	Mitchell & McClure.	Remarks.
First foreman	\$1,900.00	\$2,000.00	Per year.
Second foreman	1.75	2.00	Per day.
Engineer	1.50	2.25	Do.
Fireman	1.25	2.00	Do.
Band sawyer	2.00	5.00	Do.
Butcher	1.50	2.50	Do.
Carrington	1.00	1.75	Do.
Clearing saw	1.15	1.75	Do.
Clearing slabs	1.00	1.25	Do.
Gang sawyer	1.60	2.50	Do.
Tail sawyer, gangs	1.25	1.50	Do.
Clearing gangs	1.10	1.75	Do.
Edgermen	1.40	2.25	Do.
Clearing edger	1.10	1.37	First man, per day.
Do.	1.00	1.37	Second man, per day.
Clearing edger (slabs)	1.00	1.37	Second man.
Trimmers	1.25	1.75	First man, per day.
Do.	1.15	1.75	Second man, per day.
Do.	1.00	1.75	Third man, per day.
Extra man	1.00	1.50	Do.
Log jacker	1.00	1.75	Do.
Log loader (chain)	1.00	1.50	Do.
Clearing refuse dumps	.75	1.25	Do.
Jobber (see Remarks)	3.50	4.62	This jobber oils the mill and keeps the lower part clean. He employs two boys, whom he pays. We pay for oiling \$3.25, and for cleaning \$1.37; in all, \$4.62.
Band flier (two bands)	5.00	5.00	For one band.
Band flier's assistant	1.10	3.50	Employs his own helper.
Filer for two gangs	3.50	9.75	Head flier, \$6; two helpers, \$4.75.
Filer for two gangs and a circular.			
Boom men	1.00	1.50	
Blacksmith	1.30	2.25	
Carpenters	1.25	2.25	
Watchmen	8.00	2.50	Per week, seven days.
Do.		1.62	Per day.
Teamsters and common labor.	1.00	1.25	Do.

From this statement, which shows the average wages paid in this country and in Canada, it is very evident that the rate of \$2 a thousand upon rough lumber does not equal the difference between the labor cost of producing lumber here and in Canada. In further corroboration of this fact, however, I desire to quote from the remarks of Hon. PAGE MORRIS, before the Committee on Ways and Means, Thursday, December 31, 1896, when the committee was considering this schedule:

Now, again, this question was asked, What about the wages? Now, during the canvass last fall, and there is a gentleman here who will corroborate my statement—as I say, I have not had an opportunity to verify these statements by the official statistics as I ought, but I think it will be shown, when we come to present the memorial here, that in the lumber milling the differences in the wages paid to the laborers in this country will not average less than 30 per cent in our favor, and I think we will go up to 50 per cent. I know that last fall, when the political campaign was being made, I inquired from lumbermen at my own home, and I had lumbermen in Canada written to without letting them know what the purpose was, in regard to what were the wages paid to laboring men in the mills in Canada and in our own mills. At our place we range from \$5, the highest wages per day, down to \$1.25, the lowest wages, paid to labor. In their mills they range from \$2.75 to \$3 a day down to 50 cents. That is my recollection of the figures. When we averaged it, we found that the wage was \$1.30 in this country as against \$1.20 in Canada. Now, the difference between \$1.30 and \$1.20 is 50 cents, and 50 cents is exactly 50 per cent of \$1.20, so that our wages were exactly 50 per cent higher in this country for the mill products at that time, and the wages were less than they had been, on account of the depression in the industry, but they were just exactly 50 per cent greater in this country than in Canada.

Now, what in regard to the wages of the laboring men in the woods? I have been recently informed, Mr. Chairman, that the wages in this country at the present time for men in the woods range from \$16 to \$24, and that the wages in Canada for men in the woods range from \$8 to \$18. There is the difference at the present time. Four years ago, in 1892, the lowest wage we paid in the woods was \$20 to men, and their board, and it ranged from that to \$40. There is the difference between the two conditions of 1892 and the trade conditions of 1896, the difference of from \$16 to \$24 as compared with \$20 to \$40. That is as to the wages in the woods in this country. Those are the labor conditions. Now, Mr. Chairman, after all, whether a man be for tariff for revenue only or a tariff for protection, they all say—at least they do up in our country; I do not know what they say in the balance of the country, as I have been kept pretty busy attending to my own affairs in my own country—but they all say, "We are perfectly willing to give you a discrimination."

These rank tariff-for-revenue-only men all say, "We are perfectly willing to give you a discrimination which will compensate for the difference in what we paid for wages and what the Canadians or anybody else pay for wages." When they want the laboring men's votes they talk just that way. If they be sincere, let us make a little computation about that. You take a ten-dollar plank—and I put it at even figures because it is easier to compute—you take a set of planks that are worth \$10 a thousand, and I am informed by the lumbermen in the Duluth district from \$6.50 to \$7—well, I will put it a little lower, say \$6 to \$6.50—of that represents the labor. Now, if the wages of this country be from 30 to 50 per cent higher than they are in Canada, if we

take 30 to 50 per cent of the \$6, you will find that it will be just about \$2; it will not be any less than that, and that is just exactly what we ask. That is just exactly the discrimination we ask, and we ask that, leaving out of consideration all these fixed charges about stumpage and fire risks and taxes, insurance, and all that.

Another reason for restricting the importation of Canadian lumber by the imposition of this duty is the fact that almost all of the lumber imported from that country is low-grade white pine. Every foot of this class of lumber imported displaces in our market not alone the lower grades of our white pine, but it also displaces our hemlock, yellow pine, cedar, fir, and other varieties of low-grade lumber with which it competes. So far as the higher grades of white pine are concerned, no duty whatever is necessary to preserve the American market for the American producer, as very little, if any, of it is imported. Canada exports all of her high-grade white-pine lumber in the form of deals and squared timber to Great Britain, where it is manufactured into the various varieties of lumber used for building purposes.

It is this low-grade lumber coming from Canada which, when added to our surplus stock of the same grade, depresses the market and demoralizes the lumbering business of this country. When the lumberman buys a tree, he buys all the different grades of lumber which that tree will produce. If he has a market for only the better grades, he will either not manufacture it at all, or if he does, he will be compelled to demand a price for that grade of lumber which he can dispose of that will not only pay for the cost of manufacturing it, but will also pay him for the cost of that part of the tree which he is unable to dispose of.

We sincerely believe, Mr. Speaker, that by the imposition of this duty upon rough lumber, which is the lowest duty imposed by this bill, that the importation of the Canadian product will be restricted; that the American market will be preserved for the American producer; that the consumption of American lumber will be increased, giving more employment and better wages to labor, and that in this way it will materially aid in the restoration of that prosperity which our people have always heretofore enjoyed under the policy of protection.

#### The Coal Strike—Reply to Democratic Exultation.

#### SPEECH

HON. CHARLES H. GROSVENOR,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

The House having under consideration the conference report on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. GROSVENOR said:

Mr. SPEAKER: Among the other florid and luminous contributions that have been made to the debate on the Democratic side of this House has been an iterated and reiterated statement concerning the unfortunate condition of the coal miners of the West and Middle West at this time. There is a great strike on and many thousands of miners are protesting against the present rate of mining and are appealing for increased wages.

I shall not discuss at great length the real issue between the miners and the operators, nor enter into details of how this matter has progressed, but will content myself with briefly pointing out the cause of the strike and the only cure, in my judgment, that is valuable. I will venture, however, to say that the wages which were being earned and paid to the miners of the section of the country which I represent were insufficient and inadequate, and that, judged by any standard of human action, the miners of that section were justified in a strong and determined effort to procure higher wages and better conditions. The trouble is a complicated one, but more than any other single reason and all reasons put together, as the cause of this strike, is the enactment in August, 1894, of the Wilson tariff law.

At the time of the enactment of that measure the rates of mining in the western Pennsylvania fields, which are the present source of all our troubles, in thin-veined districts was 72 cents and in thick-veined districts 65 cents per ton. During the same period the rates in Ohio and Indiana were 70 and 75 cents, respectively. Now the rate is 51 cents, with a reduction proposed in Ohio to 45 cents per ton. You ask what has caused it. The operators in the coal fields are always willing to continue mining coal whenever they can sell it at a profit over and above its cost, and these conditions exist when the demand is equal or greater than the supply, and these conditions ceased to exist when the demand falls off and the supply continues. There is no business in this country

more completely governed by the inflexible law of supply and demand than is the business of coal mining.

Mr. Speaker, I am not going to elaborate. Everybody knows what it means. Everybody understands this proposition who knows anything about the business. Where is the market and what is the market for the bituminous coal of Ohio, Pennsylvania, Indiana, and Illinois? These markets lie in the great cities and small cities, in the large towns and small towns, of the Middle West and the points around the Great Lakes and way up into Canada. This answers the question, Where is the market?

Now, what is the market? The market is the household, the factory, the rolling mill, the forge, the foundry, the electric-light plant, the gas plant, the railroads, the steamships, all the mighty enginery of manufacture and commerce which are warmed, heated, put into motion, or driven by steam or electricity. The great power of progress, the mighty moving enginery of civilization, is in heat. As somebody has well said, the greatest controlling condition, the greatest differential proposition, between the brute and the man is that the man can set fire and control and utilize it and the brute can not. And these fires in every form are patrons and promoters of the industry of coal mining.

Now, then, having thus described the location of the market and what the market is, let us see what the Democratic party did. It destroyed one-half those fires by the repeal of the McKinley law and the enactment of the Wilson law. It shut up the glass works, it barred the door to the iron and steel manufactures, it closed up a large number of the gas works, and shut down electricity and drove it out of action; it curtailed the business of the railroads, the spindles ceased to hum, the smokestacks ceased to emit their volumes of smoke testifying that down below there were fires and the consumption of coal. This is what the Democratic party did. It is not worth while to discuss it any further. You all understand it. It paralyzed business, and the price of coal mining fell.

Fell why? Fell because there was no market for the coal; fell because the production was greater than the consumption; fell because out of the markets that I have described were driven the agents of the coal miner, who were selling his product. There was no call for his product, and the blight that began at the factory, at the rolling mill, the poisonous vermin of inaction, of indolence, of idleness, rolled in a deadly tide back over the business of trade and commerce, down to the railroad lines, down to the steamship lines, down until it paralyzed the pick of the miner in the coal mines of the country. I speak with feeling. I speak with interest. I speak because I have seen it. I have observed it. I have seen the coal miner who in 1893 and 1894 was mining the coal of the valleys where I live at 75 cents pieceously paying for labor at 45 cents a ton, and I have seen manhood blush and American sentiment pale before the inflictions of poverty that came upon that industrious people.

Do not tell me that the miner has committed indiscretions. That may be so, and you may condemn it, but I say the political power in this country that was hurled at him like an avenging Nemesis is to blame for his sufferings to-day. I am going to insert here, Mr. Speaker, some evidence. The chosen representative of the great mining industry of the United States is President Ratchford. He is the president of the United Mine Workers' Association of the United States. He is a man of good character, clear head, warm heart, and thoroughly devoted to the interests of his people. He has made a statement, which I reproduce, and which is as follows:

President Ratchford, of the United Mine Workers' Association, in a communication to the New York Herald dated July 3, says:  
"A miner's wages in the western Pennsylvania field range from 54 to 47 cents per ton in thin-veined districts, and from 30 to 28 cents per ton in the thick-veined. In 1893 the mining rate in thin-veined districts was 72 cents, and thick-veined 66 cents per ton. During the same year the rate in Ohio and Indiana was 70 and 75 cents, respectively. Now it is 51 cents, with a reduction proposed in Ohio to 45 cents per ton. This ratio holds good in a general way all along the line; Illinois, a portion of Iowa, eastern and central Pennsylvania, and the Virginias are all equally affected."

"These figures indicate a reduction in rates for mining of from 20 to 30 cents per ton since 1893. It was in August, 1893, that the Congress which framed the Wilson tariff law met and the work upon the bill which reduced the coal tariff 35 cents per ton was begun. It was promised that that bill would take the entire duty off coal, and the bill as framed by the Ways and Means Committee and passed by the House did remove the entire rate of 75 cents per ton and placed coal upon the free list. The Senate, however, restored a part of the duty on coal, making the rate 40 cents per ton, and the bill when it became a law reduced the tariff rates on bituminous coal 35 cents per ton, the rate under the McKinley law having been 75 cents per ton and the rate named by the Wilson law being 40 cents per ton."

#### LOW TARIFF, LOW WAGES.

"The fact that the entire reduction of wages which miners are complaining of has occurred since the beginning of work upon the Wilson tariff law, and that the reduction is nearly the same as the reduction made in the tariff by that act, is of itself a remarkable coincidence, and would probably warrant the assumption that the tariff reduction caused the reduction in wages."

"Before the passage of the Wilson tariff bill a visitor to Newport News, the seaboard terminal of the Chesapeake and Ohio Railway, might have seen at any time from four to a dozen coasting vessels lying at the docks awaiting the arrival of coal trains from Virginia and West Virginia loaded with coal destined to be shipped to New York and New England. No sooner had the Wilson tariff taken effect than all these vessels disappeared as completely as though they had been engulfed in mid-ocean. The reason for this transformation scene was simply this: The rate of duty on coal under the McKinley law was such as to exclude foreign coal from New England or Eastern ports, but

the reduction of rates to 40 cents per ton by the Wilson law permitted Nova Scotia coal to enter the Northeastern Atlantic ports at such low rates that the West Virginia coal could not compete with it. The Nova Scotia coals are cheaply mined, and as many of the mines extend under water, it is practicable to load the coal directly on vessels and thus place it in any of the Eastern United States ports at very low prices.

#### NOVA SCOTIA COAL COMES IN.

"The result of this reduction in the tariff was that the Nova Scotia coals took the place in the East of that from the West Virginia mines, and that the West Virginia mine owners and operators were compelled to seek a market elsewhere. Railroad rates to the West were reduced, and coal which had formerly gone to New England went West and came into competition with the coal of Ohio, Indiana, and Illinois. The price of coal in the Western markets tumbled; then followed a rate war between railroads and between mines and mine owners; a reduction in wages for mining at the East, followed by reductions in the West, until miners' wages became lower than they had ever been known under the protective policy of the Republicans."

"Other causes, also resulting from the Wilson law, have operated with equal certainty in keeping down the prices which it was possible to pay for mining."

"The suspension or reduction of work in factories in all parts of the country, resulting from the operations of the Wilson law, caused a great reduction in the demand for coal and combined with the depressing effect of importations to still further reduce the demand for the labor of the miners and the prices paid for their services. While the amount of coal actually imported is only about 4,000,000 tons a year, or sufficient to throw out of employment about 8,000 miners, the loss in markets to American mines by the suspension of manufacturing was much greater."

#### The New York Tribune adds:

The present strike of the coal miners is looked upon with great alarm by Democratic leaders here. It calls attention directly and pointedly to the fact that their legislation is beyond question responsible for the reductions of wages, all of which, according to President Ratchford, have occurred since the inception of that legislation. Not only is the Democratic party responsible for the reduction of 35 cents per ton, which caused this reduction in wages, but many of the men now most prominent in its councils and as its leaders urged and even demanded a removal of the entire duty on coal, placing it absolutely upon the free list, which would have undoubtedly still further reduced the wages of miners."

Mr. William J. Bryan was one of the most earnest and active members of the wing of his party which demanded the removal of the entire duty on coal, saying in a speech in Congress, January 13, 1894:

"The duty on coal is indefensible. \* \* \* The duty on coal is nothing but a subsidy, which the people along the seacoast are compelled to pay to the transportation companies. \* \* \* Take the tariff off coal, so that the New England manufacturers can buy it for less, and they can manufacture more cheaply; and then, by cutting down the tariff on the products of their factories, we can compel them to sell at a lower price to the people of the South and West."

Here is the whole of it. Here is the whole of it, Mr. Speaker, and no man can gainsay it. The evil lies right at the door of Democratic free trade, and this is a raw material. I am delighted that we have driven the Democratic leader of this House headlong in a precipitous flight away from the old doctrine of free raw material. He sees the rising storm of repudiation. He is talented and clear-headed in his observations, and seeing that one of the outposts of Democracy must be abandoned, with eloquent protest and ingeni us apology he has dismantled the guns upon the old wooden fort, he has blown up arsenal, wrecked the battlements, and withdrawn to what he deemed a more secure position.

But it is the death rattle in the throat. It is the quivering appeal of the dying victim. It is the stentorian breathing of the abandoned sufferer. Without the dogma of free raw material Democracy, upon this question, is a humbug. I point to the wool of Texas as being a powerful argument on the subject of free raw material; I point to the pine of Georgia; I point to the cotton of South Carolina; I point to the sugar of Louisiana; I point to the citrus fruit of California, as indicative of the decaying fortunes of Democratic dogma, and there are others.

I do not know what will be done by the Democratic party in 1900. They have an adjustable platform. They are unique in fitting themselves to any rising storm. The dweller upon the prairie of the far Northwest does not with greater facility and rapidly adjust himself to the dugout at the appearance of a cyclone than does the Democratic party readjust itself to the rising storms of public opinion.

Mr. Speaker, in this Hall in the contests gone by, and yet not very far gone by, we have listened with profound interest to the discussion of this free raw material question. I do not mean the recent division of time upon that question between the two distinguished leaders on this floor. I do not mean that; but I refer to the debates when the distinguished boy orator participated. If that distinguished and eloquent gentleman has one proposition in his political creed that is better settled in his own mind than any other proposition it is his untiring, zealous advocacy of free raw material.

His eloquence upon this floor in defense of that theory of tariff taxation was beautiful and impressive beyond my power to describe; and now, when he faces the declaration of the new departure, he will feel like retiring to some political convent and there forever abjuring the world and all its sins or else devoting himself to the task of meeting the progress of Democratic growth and evolution. But this is a matter in which the average Republican is not deeply interested, and for the present I transfer the controversy to the distinguished gentlemen who are the most nearly and deeply interested in the issue of the contest, merely suggesting to them not the cruel declaration of the fabled woman when her



husband and bruin were in a contest, but the more civilized and charitable motto of the English sporting world, "May the best man win."

And now, Mr. Speaker, in conclusion, the coal miner can see this. He may be hungry, but he is intelligent. His family may suffer, but he can read. His interest lies in the vast development of our industrial system, and he knows enough to know that the volume of the mining of coal depends upon the volume of the industrial development of the country, and he knows enough to know that the policy of that party which seeks to introduce the handiwork and production of foreign labor into this country is his enemy, and he knows enough to know that that party which demands the American market for the American producer is the party that will open the factory and start the fires of industry and prosperity; and as a member of the Republican party, jealous of its future, proud of its history, confident of its present position, I am ready to submit the issue to the laboring men of the United States.

### The Tariff.

### SPEECH

OF

HON. WILLIAM F. LOVE,

OF MISSISSIPPI.

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. LOVE said:

Mr. SPEAKER: The question for our consideration is whether or not we will adopt the report of the conference committee.

This bill, after having been considered in the Senate for over two months, has been returned to the House with more than 800 amendments. But under parliamentary practices and usages in this body we are not permitted to sift the chaff from the wheat, retaining in the bill those amendments that meet our approval, but we must accept or reject the report of the conference committee as a whole. I would like to retain in the bill some of the Senate amendments that have been rejected by the committee. For instance, bagging and ties, gunny sacks, floor matting, burlaps, and paris green were again put on the free list by the Senate, which was about the only favoritism shown the Southern farmer in this bill. These are necessities that our people are compelled to buy, and the action of the committee in placing them on the taxable list puts an unjust burden on one class of the people, and those least able to bear it.

There can be no justification for this action. It is indefensible either from a protection or revenue standpoint. It will be a direct tax upon those who will receive no benefits, either directly or indirectly, from the measure. Binding twine still remains on the free list—to which we do not object—but why this discrimination? The sacks used for transporting grain and fertilizers alone will cost the farmer, by this increased duty, a half million dollars, while the increased cost on bagging and ties will add nearly a million more.

Agriculture for a century has been paying, through a tariff tax, special tribute to manufactures. Agriculture has been furnishing the great bulk of our exports. From 1820 to 1890 the average was 81.53 per cent; from 1880 to 1896, 71.98 per cent were the products of agriculture. Last year our exports amounted to \$275,000,000, the largest in our history; 66.6 per cent was from the farm. These large exports have gone abroad to settle the balance of trade, to sustain our credit, to supply the National Treasury, and give commercial standing to this great nation, which could not have lived one year without it.

A republic which practices injustice and discrimination against an interest so important as this, which increases their burdens until this great industry ceases to be profitable and the farms are covered with mortgages, driving the discontented occupants to the already crowded cities and towns, is sapping its foundation and will ultimately lead to its own destruction.

### COTTON.

A tariff of 20 per cent on raw cotton was also added by the Senate as a protection to the Southern planters, but it is a sham and delusion, like other agricultural schedules of the bill. The price of all cotton is fixed in Liverpool, where two-thirds of the American crop finds a market, just as the price of our corn and wheat is fixed abroad, and we can not raise the price by a tariff tax. Of the 55,000,000 pounds of cotton imported into the United States last year, 43,000,000 pounds did not and could not compete with

American cotton. The sea-island cotton is the only staple with which the Egyptian article is supposed to come into competition, because it is only in the manufacture of certain classes of goods that the Egyptian staple can be used.

Statistics show that just in proportion as American consumption of Egyptian cotton has increased, in the same proportion has the American consumption of sea-island cotton increased. Our importations of long-staple cotton last year were 57,000 bales. Our exportations of sea-island cotton were 49,651 bales. If there were any benefits whatever to be derived by the cotton planters from this cotton tax, they were more than offset by the compensatory duty of 10 per cent on cotton goods given the manufacturer at once in lieu of the cotton tax, and in addition to the 40 per cent already allowed in the House bill, enabling the manufacturer to advance the price of cotton goods to that extent, not only on the wares made from sea-island cotton, but on most of the fabrics in the cotton schedule which the farmer must buy, and likewise every other consumer. Instead of its being beneficial to the farmer, it would be an additional burden.

### WOOL AND HIDES.

The Senate increased the duty on wool and put a tax on hides, but the manufacturer of woolen goods and the manufacturer of leather were at once allowed in lieu a compensatory duty which the consumer pays.

The manufacturer of woolen goods is given 55 per cent for the sake of protection, and in lieu of 11 cents per pound protection given in this line on the better grades of wool, the manufacturer is given 44 per cent additional. It is estimated that the cost of woolen goods annually under this bill will amount to \$175,000,000 more than under the present law; \$50,000,000 of this will go into the Treasury, leaving \$125,000,000 to the manufacturer. The present law gives 10 per cent protection on leather and 30 per cent on harness. This bill doubles the protection on leather and gives harness a protection of 45 per cent, while raw hides have only 15 per cent, and an equal drawback is given on leather exported when manufactured from imported hides, which is calculated to increase the demand for foreign hides and lessen the demand and price for domestic hides.

So we have an object lesson that whenever raw material is put on the dutiable list in this bill, a corresponding increase is added to the manufactured article, which becomes an additional tax, pure and simple, upon consumption. This does not tend to equalize the burdens of taxation. No exchange is given. It is not a readjustment of existing benefits among the favored few "so as to operate equally throughout the country and not discriminate between classes or sections," but it is a direct increase to the burdens already borne by the masses.

### LAND PLASTER.

The Senate has also added to the dutiable list, at the rate of \$1 per ton, but which the committee fixes at 50 cents per ton, land plaster or gypsum, an article largely used by the farmers in their fertilizers, an article that has been on the free list for more than half a century. The fertility of our soil is being rapidly exhausted, and fertilizing is a necessity. This amendment will tax the farmer on the material used to produce bread and meat, and then he will be forced to sell that bread and meat at free-trade prices.

The farmers of the United States are taxed on all they buy and are forced to sell their staples in competition with the cheapest labor in the world's free-trade market.

### PARIS GREEN.

The tariff on paris green has been raised from 12½ to 25 per cent, which is another article of great importance to Southern planters.

### SUGAR.

The country has been led to believe that the Senate amendment to the sugar schedule had been greatly reduced by the committee and that a victory had been won over the trust; but such is not the case. There is a tax of \$1.95 on a hundred pounds of refined sugar that is fixed and absolute. Then, there is also a tax of 38.3 that is imposed upon sugar coming from countries giving a bounty equal to that. These exactions will amount to over \$75,000,000 per annum that must be paid by the consumers of sugar. The trust gets a differential of 66 cents on the hundred pounds of refined sugar, which brings to the trust over \$4,000,000 annually, while its net annual dividends, according to its own official report, amount to \$7,125,000, this being over 30 per cent on the actual capital invested.

Sugar stock has continued to advance since this bill has been in conference, and has advanced 11 points since the report was made. Shares are worth \$36 more than they were a week since. Could stronger evidence be produced than this to prove that the trust has won the victory?

With these facts before us, the Republican members have increased this enormous bounty to this gigantic trust, which, like the pestilential vampire, is sucking the very lifeblood of the nation and poisoning every artery of commerce.

Vast quantities of sugar, wool, and other articles have been

recently imported free, or at low-tariff rates, and the manufacturer will be permitted to sell them to the consumer at high-tariff prices, to advance the fortunes of those already immensely rich.

#### RATE OF DUTY AND NUMBER OF ARTICLES EMBRACED.

The tariff burden is greatly increasing both in the rate of its exactions and the number of articles protected. "Our infant industries," after a century of development, are unable to stand alone, and each year need additional nursing. Will we never reach the end? Will this iniquitous system with its increasing burdens be forever fastened upon us, and like the opium victim each day requiring larger doses to satisfy the morbid appetite.

The rate of duties of the first tariff bill, 1789, averaged about 5 per cent and included only about 75 articles. In 1840, under the Walker tariff, the rate was about 27 per cent and included about 1,200 articles. In 1865 the rate was about 47 per cent, including 2,000 articles. The McKinley tariff averaged about 50 per cent, including 4,000 articles. The Wilson tariff averaged 37 per cent, including a little less than 4,000 articles. And the Dingley bill averages over 57 per cent and includes 4,500 articles. The industries represented by these articles, which are expected to reap \$4,000,000 annually from this act, with a few exceptions, are located in a small area of this immense territory, and only about 8 per cent of our population is engaged in these industries that are really benefited by protection.

These favored industries furnish now only about 30 per cent of our export trade. Capital invested in the manufacturing industries increased 121 per cent from 1880 to 1890, while during that same period farm values shrunk from 30 per cent of the total wealth of the country to 20 per cent of the same. "The law can not make wealth, but the law can and does transfer wealth. Helpless to create, it is powerful to plunder."

#### REVENUE.

One of the main purposes of this bill as set forth in the title is to raise revenue, and yet we have over \$235,000,000 in the Treasury. The Democratic party believes that taxes should be levied for revenue only. The very object for a tax law is revenue, and a tax imposed on articles in such a way as to interfere with the compact between buyer and seller or that destroys honest competition, which is the life of trade (thereby increasing the price), unless it be for the benefit of the public Treasury, is unjust and unwarranted.

But this measure has a twofold purpose. It is also intended to protect the manufacturer and the trusts. And in order to do this successfully rates are fixed in many instances too high to produce revenue. The mere increase in the rates of duty does not necessarily increase revenues. High prohibitive duties bring no revenue, when importations are forbidden, competition barred, and the protected manufacturer controls the price of wares and wages.

The syndicates are allowed to impose taxes merely for their own aggrandizement. Pelf, not patriotism, dominates in many schedules of the bill.

#### COMMERCIAL WAR AGAINST FOREIGN COUNTRIES.

It is a declaration of commercial war against all foreign countries with whom we have trade relations, especially the Republics of South America, whose trade by this unwise policy is transferred to the countries of Europe, where it is sought and highly valued. This unfriendly policy is sure to arouse a spirit of revenge.

#### HIGHER PRICES AND LESS MONEY.

It is expected that the passage of this measure will increase the price of protected manufactured wares provided a home market can be found for them. How is the home market to be increased by tariff taxes when it is already supplied and an enormous surplus is going abroad? If our people are unable to buy at low values, how can they buy at high values? Should prices advance, more money will be needed for individual use and to facilitate trade. What increase of the volume of money have we to-day? Only that derived by the free coinage of gold, which is offset by the exports of gold. There is a certain demand for money, ever increasing as population grows. Our population is increasing rapidly, while our money per capita must be decreasing in proportion.

What is the remedy? Producing more money or by destroying one-half of that which we now have?

The bankers propose to remedy the condition by the retirement of all Government paper and the substitution of a bank currency under Government control, which no doubt would be good for the banks. More taxes and less money is expected to bring general prosperity. Can the American people be thus deceived?

#### ECONOMY.

Mr. Speaker, it has been well said that a most excellent source of revenue was to be found in economy and frugality in public expenditures, which are now enormous, and if they continue to grow in the future as in the past, we will be forced to resort to additional methods besides the tariff to raise the necessary revenue.

Our national expenditures have increased from 42 cents per capita in 1790 to \$1.36 in 1820, \$1.03 in 1830, \$1.41 in 1840, \$1.00 in 1850, \$3 in 1860, and about \$7.20 in 1896.

Tariff taxes are about to be largely increased on nearly everything the people eat, drink, wear, or use in production, and the public expenditures, instead of being diminished to meet the exigencies of the situation, are being increased and extended.

Let us seriously weigh the responsibility of our position, and with true allegiance to our trust dare to do our full duty, sacredly and patriotically, regardless of party affiliations or political spoils. Let us adopt the wise and patriotic utterances of the greatest of Englishmen, Mr. Gladstone: "Love of liberty for all, without distinction of class; creed, or country, and resolute preference for the interest of the whole people to any interest of narrower scope."

**Retrospective Legislation—This Performance will go down to the Future in the History of these Times as One of the Most Unpatriotic Acts with which the Country has been Afflicted.**

#### SPEECH

OF

HON. CHARLES H. GROSVENOR,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

The House having under consideration the bill (H. R. 379) entitled "An act to provide revenue for the Government and to encourage the industries of the United States"—

Mr. GROSVENOR said:

Mr. SPEAKER: There is at this time coming to us from all the sources of information valuable knowledge of the fact that vast quantities of merchandise have been and are being imported into the United States in anticipation of the increased rates of duty to be levied and collected under the pending bill. It is estimated that \$40,000,000 which, under the ordinary course of business, would have come to the Treasury of the United States from imports has been anticipated under the lower rates of duty, and to that extent the Treasury will be defrauded.

Notably has there been an enormous incursion of free wool, enough, it is said by those who claim to know, to run the factories of the United States for two years and deprive the woolgrowers of any direct protection under the Dingley law; but still more notable and still more aggressive has been the action of the importers of sugar. By the process of flooding the country with their product and the delay in the passage of the tariff bill not less than \$16,000,000 worth of sugar will be added to that in the United States. Now, when the necessities of the Treasury are so great, the people of the country will be anxious to locate the responsibility for this result.

This bill was passed in the House of Representatives on the 31st day of March last, and is here to-day reported to this House for the first time after it has emerged from the grasp of the Senate, and it is the purpose of the managers here to pass this bill before we adjourn to-night, and thereby show to the country the deliberate purpose of the House of Representatives to stand by the interests of the people of the United States of America. There were in the month of April thirty days, in May thirty-one days, in June thirty days, and in July up to this time twenty days; in all, one hundred and eleven days since the House of Representatives passed this bill.

I am not complaining now of the length of time it took the Senate to present us with their views in the form of an amended bill. It was a gigantic work, which took long and arduous labor, and the committee of conference devoted itself with wonderful patience and industry to solving the differences between the two Houses; but in the meantime this importation has gone on. It was all foreseen by the House of Representatives.

Your Committee on Ways and Means understood perfectly that this rush of importation would occur, and so in order to protect the Government, in order that the Treasury might not be thus wronged and robbed, the House of Representatives placed in their bill section 27, which provided that the duties to be hereafter levied under this bill should take effect from the 1st day of April last, and provided a full and ample provision for the ascertainment and collection of such duties. Without waiting for discussion, at the demand of certain forceful influences, the Senate gave forth the proclamation to the importers that that section would be stricken out. They said in effect to the country, "We do not know what we shall levy as duties, but we do know that this retrospective legislation shall not be in the law when it is passed."

I do not complain of the Senate committee which struck out



this provision, for they did it for reasons that can not be answered, and I am not here in the spirit of fault-finding. Gentlemen who engaged in this effort and were successful doubtless believed that they were actuated by patriotic motives; but I have this to say: The effect of their motive has lessened the present revenues of the country \$40,000,000, and if there is a deficiency in the revenues of the Government for the fiscal year, the fault may properly be laid at this door.

And now that there may not be any misgiving on this subject by our friends, and that there may be no hesitation on the part of anybody to locate this wrong, and never forget it, I here present an argument in behalf of this legislation in a letter transmitted to me on the 28th day of April last by Hon. John Little, ex-attorney-general of the State of Ohio, and one of the best lawyers in the United States of America.

I add also that the substance of this argument was printed before the action of the Senate committee in the public press of the country, and I may add now that no lawyer ever said, so far as I heard or read, that this legislation was not perfectly proper so far as its constitutionality was concerned and so far as the power to pass it and to enforce it was concerned. It was a simple proposition easy of execution, and the argument is unanswerable. I will not indulge in absurd statements involving my opinion, as has been done by some passionate individuals, but I will say that this sort of legislation has been enacted over and over again by Congress and always upheld by the courts, and here is the argument:

APRIL 28, 1897.

DEAR GENERAL: I have examined, as you suggested, section 27 of the Dingley bill in respect to its constitutionality, with such care as my engagements allowed, and send you results.

Among the expressed powers granted to Congress is the power "to lay and collect taxes, duties, imposts, and excises." All the power of the people in this regard is delegated to Congress, subject only to such limitations as are prescribed in the Constitution itself. Within these limitations its legislative authority upon this subject is as ample and complete as that of the British Parliament, or as the people could possibly bestow. That the enactment of retrospective laws, both of a criminal and civil character, is the exercise of legislative power no one will deny.

The question then is, is the power given to lay and collect taxes, duties, etc., limited by that instrument so as to prevent retrospective enactments in reference thereto? The general power to tax is a sweeping one. It was said by the great Marshall in that mine of Constitution lore, *McCulloch vs. Maryland*, that the power to tax is the power to destroy, and the truism was repeated by Chief Justice Chase in the tax cases, I believe, and has been reiterated over and over again. Any legislation within this power not prohibited is allowable.

There are three classes of retrospective laws prohibited by the Constitution, namely: Bills of attainder, ex post facto laws, and laws impairing the obligations of contracts. All three are prohibited to the States, but only the first two to Congress. (*Miller, J., in Kring vs. Missouri*, 107 U. S., 227.)

There is no express and no implied inhibition against Congress passing laws impairing the obligations of contracts. (*Knox vs. Lee*, 12 Wall., 633; *Mitchell vs. Clark*, 110 U. S., 633.)

If Congress then has not the power to pass the retrospective provisions of section 27, it is not because it may result in the impairment of contracts express or implied, but because they are in their nature ex post facto. But they are not of this character. What are ex post facto laws, within the meaning of the prohibition, was settled by the Supreme Court of the United States a hundred years ago in the leading case of *Calder vs. Bull*, 3 Dall., 380, which has been unvaryingly adhered to and recognized ever since in repeated decisions of that court, among which are *Fletcher vs. Peck*, 6 Cranch, 128; *Watson vs. Mercer*, 5 Peters, 110; *Carpenter vs. Penn.*, 17 Howard, 461; *Lock vs. New Orleans*, 4 Wall., 172; *Kring vs. Missouri*, 107 U. S., 227; *In re Sawyer*, 124 U. S., 219; *Medley, petitioner*, 134 U. S., 171; *Duncan vs. Missouri*, 152 U. S., 382; *Gibson vs. Missouri*, 162 U. S., 590.

Justice Chase, delivering the opinion of the court in the *Calder-Bull* case, defined ex post facto and retrospective laws. He said:

"I will state what laws I consider ex post facto laws within the words and intent of the prohibition:

"First. Any law that makes an action done before the passing of the law, and which was innocent when done, criminal, and punishes such action.

"Second. That aggravates a crime or makes it greater than it was when committed.

"Third. Every law that changes the punishment and inflicts a greater punishment than the law annexed to the crime when committed.

"Fourth. Every law that alters the legal rules of evidence and receives less or different testimony than the law received at the time of the commission of the offense in order to convict the offender.

"All these and similar laws are manifestly unjust and oppressive. In my opinion the true distinction is between ex post facto laws and retrospective laws. Every ex post facto law must necessarily be retrospective, but every retrospective law is not an ex post facto law. The former only are prohibited.

"Every law that is to have an operation before the making thereof, as to commence at an antecedent time, or to save time from the statute of limitations, or to excuse acts which were unlawful and before committed, is retrospective."

This case went to the Supreme Court from Connecticut. In 1795 the legislature of that State by resolution set aside a decree of a probate court, entered two years before, disapproving and refusing record of a will, and allowed a new hearing after the time had elapsed for the same under the then existing law. The rehearing resulted in the probate of the will, and thereby changed the ownership in considerable degree of an estate. In other words, it divested vested rights—vested under laws in force before the retrospective act. Yet the latter was upheld by the Supreme Court, it being held that while the law was retrospective, it was not ex post facto, and therefore not prohibited.

The case of *Carpenter vs. Pennsylvania*, supra, originated in this way: In 1850 the legislature of that State passed a law construing and enlarging the scope of an act of 1825 relative to taxes on successions. By the latter act a succession tax was laid upon property as of the year 1849, not liable therefor under the former act. Still the law (1850) was upheld both by the supreme court of the State and by that of the United States on the doctrine announced in the *Calder* case. The latter court said:

"The act of 1850 in enlarging the operation of the act of 1825 and by extend-

ing the language of that act beyond its legal import is retrospective in its form; but its practical agency is to subject to assessment property liable to the taxation to answer an existing exigency of the State." And further: "But if the act of 1850 involved a change in the law of succession, and not as a fiscal imposition, this court could not pronounce it an ex post facto law."

Thus we have a retrospective law in effect divesting or making provision for divesting vested rights and one laying an additional back tax on property upheld as not within the prohibition of the Constitution of the United States.

The line of decisions under this head is unbroken. You, in my opinion, well stated in the House that the recent case of *United States vs. Burr* (139 U. S., 78) is in accord with it. All the cases hold that for a law to have a retrospective operation the intention of the legislature to that end must be clear, unmistakable, and imperative. Chief Justice Fuller in this case, quoting and adopting the language of the court in *United States vs. Heath* (3 Cranch, 413), says:

"Words in a statute ought not to have a retrospective operation unless they are so clear, strong, and imperative that no other meaning can be annexed to them, or unless the intention of the legislature can not be otherwise satisfied."

He then proceeds to show that it was not the intention of Congress that the Wilson bill should take effect August 1, it having become a law on the 28th, and that such a construction would make parts of the act inoperative and incongruous. But it stands out clearly on every page of the opinion that if such had been the manifest and unmistakable intention of Congress the law would have been held to take effect on the 1st instead of the 28th of August, except as to the sections imposing penalties. To have given them retrospective operation would be to sanction ex post facto legislation.

The Chief Justice, as to these sections, therefore (page 85), most significantly remarks: "Of course these sections can not be given a retroactive effect according to their terms," thereby implying that the others might, had such been the purpose. In fact, the court says in terms that "the question is not one of construction, but of intention as to the operative effect of this act;" not one of constitutional power so to legislate, but one as to how Congress intended to legislate, the power not being questioned.

While the power of Congress to enact retrospective legislation, not of an ex post facto or bill-of-attainder character, in respect of subjects falling unrestrictedly within its legislative cognizance, as the power to levy and collect duties, seems, therefore, so patent and well established as to make further discussion needless, it is interesting to note how completely the doctrine on which the decisions are based is embedded in our institutions. The important distinction between ex post facto and other retrospective laws, observed by the Constitutional Convention (see *Madison Papers*, 1300, 1450, 1579) and by all the leading law writers from Blackstone down, has been recognized from the colonial days to the present.

Maryland and North Carolina, in 1776—facts mentioned in the early cases—put this clause into their constitutions:

"That retrospective laws punishing facts committed before the existence of such laws, and by them declared criminal, are offensive, unjust, and incompatible with liberty; wherefore no ex post facto law ought to be made."

Tennessee carried this into her constitution in 1796, and Florida into hers in 1824, and all have since maintained it.

Massachusetts declared in her constitution, 1780:

"Laws made to punish actions done before the existence of such laws, and which have not been declared crimes by preceding laws, are unjust, oppressive, and inconsistent with the fundamental principles of a free government."

The first constitution of Ohio, 1802, simply forbade the enactment of ex post facto laws; but in that of 1851 the prohibition was broadened and the passage of "retroactive laws," with some qualifications, was forbidden.

The Missouri constitutions, from the first (1820), have provided—

"That no ex post facto law, nor law impairing the obligation of contract or retrospective in its operations, can be passed."

Texas, from her first constitution, 1845, has maintained a similar provision in all her fundamental laws, prohibiting in the same section both ex post facto and retrospective laws.

The first constitution of Georgia, 1796, simply prohibited ex post facto laws; that of 1865 forbade these and also "retroactive laws injuriously affecting any right of the citizen." This was significantly omitted in the revision of 1868.

The constitution of Colorado, 1876, provides "that no ex post facto law nor law . . . retrospective in its operation shall be passed by the general assembly."

While most of the State legislatures have the power to pass retrospective laws which are not ex post facto, they are far more restricted in the exercise of this power than is Congress, because of the inhibition against impairing the obligation of contracts applicable to them all, and sometimes also because of local preventive provisions.

Because of such restrictions not applicable to Congress, retrospective legislation, where allowed in the States, is largely confined to laws of a curative nature. There is a great multitude of decisions by the State courts, based upon such restrictions, which throw no light on the general question under consideration. We have a number and some variety in Ohio. We are inquiring not what may be done by the States under their several constitutions, but what can be done by the United States under its Constitution.

Not only has the power to pass retrospective laws been successfully exercised by the State legislatures, but the principle, as I conceive, was recognized and acted upon by Congress in the very beginning of the Government, and in respect of this very power of taxation.

An act for laying a duty on goods, wares, and merchandise imported into the United States" was introduced by Mr. Madison April 8, and was approved by Washington July 4, 1790. It was the second law passed by Congress. It went into effect generally August 1 following. Among other things it laid a duty on teas as follows:

On all teas imported from Europe in ships or vessels built in the United States and belonging wholly to a citizen or citizens thereof, or in ships or vessels built in foreign countries, and on the 16th day of May last wholly the property of a citizen or citizens of the United States and so continuing until the time of importation, as follows:

On bohea tea . . . . .	per pound..	8 Cents.
On all Souchang and other black teas . . . . .	do . . . . .	13
On all green teas . . . . .	do . . . . .	16

On all teas imported in any other manner than as above mentioned, as follows:

On bohea tea . . . . .	per pound..	15 Cents.
On Souchang and other black teas . . . . .	do . . . . .	22
On all green teas . . . . .	do . . . . .	27

It was also provided that on all goods, wares, and merchandise, other than teas, imported from China or India in other than American built and owned ships, or in foreign-built ships not owned by American citizens "on the 6th day of May last," should be subject to a duty of 12½ per cent ad valorem. By the fifth section a discount of 10 per cent on all duties imposed by the act was

allowed on all shipments in American-owned vessels, as above described—that is, owned May 16, 1789.

Bearing in mind the conditions then existing, that it took from five to eight weeks to cross the Atlantic, and nearly as many months to sail around the Horn to China and India; that more than 80 per cent of our imports then came in foreign-built and foreign-owned ships, the act, in effect, went largely into operation on the 16th of May, forty-eight days before its approval. The 16th day of May was the day it passed the House. On that day the amendment fixing the time from which to determine, under given conditions, what duties were to be paid, was adopted just as your amendment was introduced and adopted on the day (March 31) the Dingley bill passed the House.

But there was this difference in the two cases: You gave one day's notice of the conditions which would result in the imposition of the new back duties, quite sufficient for the importers and exporters of the world to be informed of them, whereas Mr. Madison gave no notice at all. On the evening the Dingley bill passed the House, as you will see from the inclosed letter clipped from the Commercial Tribune of April 11, and dated London, March 31, our consul-general, Mr. Collins, was besieged at his office in that city with exporters anxious to learn about the operation of your amendment; and the Leeds Mercury, on the same evening, hastens to reassure Yorkshire traders "that the retrospective clause is a bold Yankee bluff for the purpose of checking shipments and minimizing the loss to the revenues," etc.

Probably the marts of trade the world over were as speedily advised. On the other hand, it was out of the question for Asiatic or even European traders to know of the Madison amendment till long after the bill became a law. Doubtless many goods were imported in foreign vessels to America after May 16, and before the law became known, that did not arrive till after August 1, which might have been brought in American ships, or in foreign-built ships owned by Americans, had there been notice of the Madison amendment such as was given of yours. An additional duty had to be paid in consequence; on teas brought from Europe, 7, 9, or 11 cents a pound, owing to kind, and on merchandise from India or China 12½ per cent ad valorem.

Under the Madison bill whether certain imports were chargeable with such and such duties depended on conditions of ownership as to the vessels in which they were brought, as such conditions existed on the day the bill passed the House. Under the Dingley bill whether certain imports are to be made chargeable with such and such duties depends on conditions of ownership as to the imports themselves, as such conditions existed on the day after the bill passed the House. Where is the difference in principle? Save as to notice, and that does not pertain to constitutionality, it seems to me in effect there is none. The fathers gave no notice of the retrospective clause. You did. That is an important difference in policy, though not in law.

The feature that makes retrospective legislation objectionable is this very lack of notice, so that there is no opportunity to conform conduct thereto.

The Treasury was benefited by Mr. Madison's retrospective provision. But for it many a cargo of goods would have escaped the increased duties. But the condition of the public revenues, in the judgment of the fathers, it would seem, justified the exigent measure, and the Constitution sanctioned it.

Again, the same principle is embodied in the third law passed by the First Congress, "An act imposing duties on tonnage," approved by Washington July 20, 1790. That provides, among other things, "that the following duties shall be, and are hereby, imposed on all ships or vessels entered in the United States; that is to say, on all ships or vessels built within the said States and belonging wholly to a citizen or citizens thereof, or not built within the said States, but on the 29th day of May, 1790, belonging and during the time such ships shall continue to belong wholly to a citizen or citizens thereof, at the rate of 6 cents per ton; on all ships or vessels heretofore built in the United States belonging wholly or in part to subjects of foreign powers, at the rate of 20 cents per ton; on all other ships or vessels, at the rate of 50 cents per ton."

This act passed the House May 29, warmly supported by Mr. Madison. As in the other case, and doubtless for the same reasons, duties on vessels were made to depend upon conditions existing on the very day the bill passed the House, when such conditions were for the first time named, and of course without notice to persons concerned, and fifty-one days before the bill became a law. Had there been notice, by change of ownership or use of American instead of foreign vessels, much in tonnage would have been saved to individuals and diverted from the public Treasury.

It appears to me that under these statutes, considering the means of communication and transportation of that day, duties on both goods and ships were, in effect and to all intents and purposes, retrospectively imposed as completely as, and more effectually than, is done by your amendment as to goods.

The view is advanced that the amendment is unconstitutional because its result would be to impose two duties on the same articles—the second after the first had been paid. But additional duties have often been imposed. About 1812 duties were increased 100 per cent. That one duty is exacted at the custom-house and another, newly imposed, after delivery of goods, instead of both being collected together, is a necessary inconvenience, but surely not a fatality.

It is said no one can say before final passage what shape a bill may take, and therefore foreknowledge of its provisions is impossible. True; but on the other hand, the action of the House, the direct representative of the people, commissioned by them with the sole power to originate revenue bills, may be fairly said to put all on notice of what may be reasonably expected. Then everyone is charged with notice that Congress may in its own way and time exercise its constitutional power of taxation.

It is said again that a duty levied on imports after they leave the custom-house and pass into individual and often irresponsible hands, and in many instances consumed, is vain and impracticable. But other taxes are so imposed and collected. Why not duties?

Custom-houses are only a means to an end, created by statute. Congress could abolish them altogether and lay and collect all duties on imports after receipt by the importer or owner, if disposed to do so. Such legislation would present the question of expediency, not constitutionality.

Unless legislation can be had on the line of your amendment, the will of the people, whenever expressed in favor of increased duties on imports and the purpose of Congress, however determined to execute that will, can and will be, in a measure, forestalled and baffled, pending the passage of the required law, by excessive importations. No matter how pressing the exigency or grave the consequences, the same result will follow.

The proposed increased revenues for an indefinite time will be diverted from the Treasury into the pockets of importers. Other governments have the power to and do prevent this evil by their "budget speech" system, or other methods of legislation. Is ours powerless and without a remedy? Surely not. Section 27 indicates, if it does not fully embody, the remedy. It is not ex post facto, for it precludes the recovery of penalties on account of back duties, and it is, in my judgment, clearly within the power of Congress to enact.

If anything said or reference made in this unpardonably long letter shall prove of the slightest assistance to you, I shall be glad.

Very truly,

Hon. CHAS. H. GROSVENOR,  
Washington, D. C.

JOHN LITTLE.

## The Tariff.

### SPEECH

OF

HON. SYDNEY P. EPES,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. EPES said:

Mr. SPEAKER: The people of my State and district have borne the brunt of two of the most terrible wars with which this country has been scourged. Well-nigh every square inch of Virginia has felt the rude shock of arms. Every hillock has its history. Every mountain peak marks a prominence around whose base the crimson tide of battle has surged, while the valleys and plains have resounded to the martial tramp of hosts hurrying to the conflict or returning from the fray; and when I tell you that the district I have the honor to represent lies between Yorktown and Appomattox, I am sure you will agree I need adduce no additional evidence to sustain what I have asserted.

While all truthful, fair, and impartial history must ever encircle the name of Virginia with a halo of glory, still there is another and more suggestive phase in which I would like to present her—that is, the cost at which this history has been made. Every thoughtful reader and student of history must read between the lines in which this glorious record is written a story not only of death and suffering, but of devastation and destruction of property, which expressed in figures would be simply appalling. Every battle, every advance or retreat, whether of friend or foe, swept away in a single day the thrift and earnings of years, while the final result of our late war took from our people property to an amount almost incalculable.

In the face of all these disasters and losses, from the very ashes of our distress, we were called upon to pay our part of the enormous war debt consequent upon that long-protracted and exhaustive struggle. Without a murmur we responded, though our generosity to the General Government and the country at large after the war of the Revolution seemed to have been lost sight of, for upon us was placed, along with the country at large, not only an income tax and a tax in the shape of a stamp placed on every check or receipt for moneys, but in addition thereto there was placed upon our staple and only money product, tobacco, an exorbitant tax. There was also placed on cotton, the staple product of the States south of us, an onerous tax.

All of these were war measures, the two latter taxes exacted on cotton and tobacco being perhaps also of a penal character, placed upon the South because of secession. Still they were all war measures, and have all been removed except the tobacco tax, which affects my people and the people of a part of a few other States. The continuance of this tax is unfair and unjust in the extreme. The country at large has been relieved of the income and stamp tax. The States farther south have been relieved of the tax on cotton, and there has been given to the States producing it a bounty on sugar, and yet the people of my State and section are still burdened with a tax on their only staple and money product.

If class legislation is unjust, sectional legislation of this character is positively criminal. The war has left my section of Virginia with nothing but our lands, which are adapted peculiarly to the growth of tobacco. They have wheat and corn, gold and silver in the West; in Kentucky and the Middle States, grain, blue grass, and blooded stock; far South, cotton and sugar. On none of these are taxes, while on some are given bounties. But in old South Side Virginia, which is distinctively a tobacco-growing section, there is levied on tobacco a tax so heavy that it is daily bringing our people to bankruptcy and pauperism.

Still we ask no bounties or special favors; all we ask is that we be put on an equal footing with the people of other sections—that we be given a fair opportunity to make a livelihood. I know that it is claimed that by taxing the manufactured tobacco the tax is paid by the consumer. This is illogical and untrue, as is most manifest to anyone who will take the trouble to make an analysis of the situation.

At the present tax of 6 cents per pound on the manufactured article, a manufacturer, in pricing a pile of leaf from the farm, would conclude that to pay the farmer 8 cents and the Government 6 cents would make the tobacco cost him 14 cents, as it does; therefore you see that to drop this tax would enable the manufacturer to supply the consumer at the same price and to give the producer nearly double as much for his product, or, as he would



most likely do, he would divide this 6 cents between himself and the consumer and producer, giving the farmer 2 cents per pound more, which would make to him a difference of 25 per cent, to the manufacturer of 20 per cent, and to the consumer of about 16½ per cent, this being to all interested the difference between success and failure; giving to each a profit instead of, as at present, a loss, which means solvency instead of bankruptcy; and in thus stimulating this single industry the farmer, the laborer, and the manufacturer would be lifted from poverty, as at present, to prosperity for the future.

The great mass of the people of all parties, classes, and branches of the tobacco industry, in mine and all tobacco-growing sections of the country, are interested in the removal of this tax. It is the only vestige of a war tax remaining upon any section of the country; and in the name of justice and humanity the people so oppressed by this iniquitous and inequitable measure should be given relief.

Why should the Louisiana farmer be paid a bounty as an encouragement to produce sugar and the South Side Virginia farmer be compelled to pay a tax for the poor privilege of growing the crop to which his land is adaptable? Sugar is no more a necessity than tobacco, and with the proceeds derived from the sale of tobacco my people purchase the necessities of life.

I know it is held by many that tobacco is a luxury, but I maintain that in more ways than one it is an absolute necessity. Many governments, recognizing in it a necessity, issue tobacco as regular rations both to the navy and army, and England conspicuously is so particular in her tobacco supply to her army and navy as to regulate the formula by which it is manufactured.

I submit, in point of fact and from practical experience, that tobacco is as much a necessity as sugar, tea, or coffee. Then, too, in my section it is absolutely a necessary crop, because only by its production can our farmers procure the other necessities of life. We have long since ceased to be able to compete with the West in the production of corn and meat, and unless we grow tobacco and use the surplus time of our laborers in producing our bread and meat, the expense of raising bread and meat would be greater than if our people were to put the money in these products directly. In other words, my people must grow tobacco or starve; but with this tax upon tobacco, it looks very much as, if they do not grow it they will starve, and if they do grow it they will perish; so it is reduced to a mere choice of words, with about the same result.

Mr. Speaker, tobacco is the only farm product on which there is a tax; and why, I ask, should this Government persist in this unjust discrimination against the growers of this necessary article of human consumption? It is used all over the civilized world; and while you find it from the palace down to the very hovels of the perishing and poor, you more frequently find it in the homes of the laboring men, who lead steady, sober, useful lives. Its use is not regarded as vicious, but, on the contrary, as respectable, and a comfort of which no one who desires it should be deprived.

Mr. Speaker, I say that all laboring men, as a rule, use tobacco. Yes, I go further, and say most men throughout the civilized world use tobacco; but to the laborer in particular and the soldier, the sailor, and all classes exposed to the rigors of the seasons and climates, and who are engaged in long hours of labor, it is absolutely necessary; and yet, Mr. Speaker, by our present laws we are enabled to give this great staple to foreign governments at a lower price than to our own people; for on all export tobacco we have little or no tax, and this is done at the expense of the farmers of our country, because the tax imposed regulates the market price; and then the exporter either makes this difference or else gives it to his foreign customer, but all at the expense of poor growers of the weed.

By this unjust law our home consumers in general, and the farmers in particular, are discriminated against and the citizens of foreign countries given the benefit. I claim that such legislation is criminal; it is robbing our own people for the benefit of foreigners and a few privileged parties here. As an American citizen, a Virginia tobacco raiser, and as a Representative on this floor, I protest against this unjust tax, and shall continue so to do until they get that relief to which they are entitled by every consideration of equity and justice, by every law of God and man; yes, by the Constitution of this country, which proclaims equal rights to all and special privileges to none.

By this tax, I say, you are grossly violating the spirit of the Constitution and treading under foot every principle of democratic government; not only depriving our own people of their rights, the right of exemption from this unjust and iniquitous tax, but by imposing it you refuse them the equal rights to which, under the Constitution, they are entitled, and you grant special privileges to aliens, strangers, and foreigners. Against this unnatural treatment by our own Government I shall protest in behalf of my people until this evil is remedied.

Mr. Speaker, let us reflect for a moment and see how inconsistent this tax is with the principles both of the Democratic and

Republican parties. The Republicans profess to be great believers in the upbuilding and protection of the home market. For this reason, in the interests of certain manufacturers, they propose passing this tariff bill, and in the face of this profession they are imposing this tax upon tobacco, which discriminates against the home market in favor of foreign governments and combines.

You are practically cooperating with these governments to destroy our home market for one of our largest export farm products, and thus, by depriving the farmer of a healthy home competition for his tobacco, enabling foreign governments to further depress the price and rob our people, not for the direct benefit of their own people, but for the benefit of these greedy foreign governments and of the combinations or trusts to which they may see fit to farm out these privileges, as has been clearly shown here upon this floor by my colleague, Mr. SWANSON.

Tobacco is taken from our farmers at a price that is bringing them to penury and sold by these governments or their pets to their own people at a profit of 800 per cent, and I contend that the imposition of this iniquitous tax enables them the more easily to do this, because, as I have shown, by relieving the manufacturer of this tax he will be able to give the tobacco to the consumer at such a reduced price as will largely increase its consumption here at home, and when we increase the home demand we increase the price to these foreign purchasers.

As it is now, we make our manufacturer pay \$6 per hundred more for the tobacco he sells to the home trade than for that he sells his foreign trade, so that a manufacturer here at home who manufactures for the domestic trade is by our laws made to pay \$6 per hundred more for his tobacco than the foreigner who comes here and buys the same tobacco with which he supplies his customers. Is that wise, is that just, is it fair, is that consistent or constitutional? Then, too, by this legislation on our part, we set the example to the world of holding an unjust—yes, practically prohibitory—tax upon this, one of the most important farm products of our country, and one upon which the people of a large section of our country are absolutely dependent for their support and sustenance.

Instead of using our efforts to relieve this important American product of the well-nigh prohibitive duty imposed upon us by foreign governments, thereby enabling our people to supply the entire world at a remunerative price, as they can do under fair, just, and equitable treatment at home and abroad, our own Government sets the pernicious example of so oppressing this product at home as to strangle it on the start and foreign governments, quickly taking the cue, simply pocket the \$6 per hundred, which this Government filches from the starving farmers of its own people to put into the coffers of these foreign nations. These nations then turn and enact such laws against the same product before they allow their people to get it as to further depress the prices here and complete the wreck of our tobacco growers, which the ruinous policy of this Government has seen fit to inaugurate. Of this condition of affairs in the tobacco-growing section, brought about by cruel, criminal legislation, the mortgages upon the farms, the paralysis of business, and the impoverishment and poverty of the people speak more conclusively and forcibly than I can.

### The Tariff.

REMARKS  
OF  
HON. M. S. PETERS,  
OF KANSAS,  
IN THE HOUSE OF REPRESENTATIVES,  
Monday, July 19, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 579) to provide revenue for the Government and to encourage the industries of the United States.

Mr. PETERS said:

Mr. SPEAKER: I am one of those who believe that when this bill, the Dingley bill, becomes a law, it will bring prosperity—prosperity to the sugar trust and other trusts, combines, and corporations that contributed so enormously to the last Republican Presidential campaign fund. I for one believe the Republican party is living up to its contracts—contracts made with the trusts which placed that party in power. Just now all eyes are turned toward the sugar trust. We do not need a calcium light or an X ray to see its fantastic tricks.

At the beginning of this extraordinary session of Congress sugar stock was quoted in the New York market at \$1.08. To-day it is worth \$1.44, and still booming. Millions were given to this trust by legislation alone. Besides this, every man, woman, and child

in the United States is taxed in addition for every pound of sugar they buy. A dollar-to-day buys several pounds less of sugar than it did a few days ago. This mysterious and complicated sugar schedule, with its "differential Dutch-standard polariscope," etc., that has required experts to explain here, seems simple and easy when the people go to buy sugar. And worst of all, the Government does not get a penny of this advance in sugar, but it all goes into the pockets of the already rich sugar men.

Mr. Speaker, but yesterday we received the glorious "sugar" news that the conferees of the House had gained a great victory over the conferees of the Senate. It was said the conflict was dreadful, but the country was safe. In the nick of time the big man from Maine appeared on the field, and the Senators were routed horse and dragon.

It appears now that the wires were tapped or the reports garbled. Since the smoke of battle cleared away, we see instead of victory a humiliating defeat. The wild, loud roar of the "bulls" at New York tells the tale. This is not the only victory the Senators gained. The House in a cowardly way surrendered to them the duty on lead in the ore. Why? Listen to the remarkable excuse given by the distinguished conferee and Representative from Ohio, Mr. GROSVENOR:

Mr. GROSVENOR. The tariff on lead in ore and upon pig lead is doubtless a little higher in this bill now than a great many members of the House would have fixed if they had had exactly their way about it. In the bill as passed by the House the duty on lead in the ore was 1 cent a pound, and the duty was correspondingly advanced upon the finished product. But if the gentleman will carefully examine the proceedings of the Senate, he will discover that at the demand of the representatives of the People's Party the increase was made in that body, and it was held in the bill by the vigorous protest and advocacy of the member of the People's Party on the conference committee.

Mr. KELLEY. I ask the gentleman to name from what State those members of the People's Party that he speaks of came?

Mr. GROSVENOR. From the Northwest.

Mr. KELLEY. Is that all one State?

Mr. GROSVENOR. No; there are several States up there.

Mr. KELLEY. Which of those States, then?

Mr. GROSVENOR. It was demanded by the two Populist Senators from Nevada.

Mr. KELLEY. If I understand the matter, Nevada has hardly one Populist Senator; certainly not more than one.

Mr. GROSVENOR. She has two.

Mr. KELLEY. As I understand it, a man who votes for the sugar trust is not a very good Populist; and one of those voted for the sugar schedule.

Mr. GROSVENOR. I think the gentleman will find that this increase is supported by the Senators from Montana, one of whom, I believe, has declared himself to be a Populist, or at least voting with that party.

Mr. KELLEY. I never heard it.

Mr. GROSVENOR. I wish to say in this connection that I do not hold myself responsible for what anybody is politically who is in this opposition.

Mr. KELLEY. Then you should not make accusations concerning something you know nothing about.

Mr. GROSVENOR. I have to place them somewhere. It is very easy to say that a man is not a Populist or is not anything. That is one of the easiest things to say. But you will find that the increase on lead ore was put into the bill originally on the demand of the Senators from the Northwestern States—the States now largely represented by Populist Senators—and was held in the bill at their demand in the conference committee. That is all I have to say about it.

In the face of this statement, is there any wonder the House conferees were buncoed on the sugar schedule? The gentleman from Ohio states that one man, the Senator from Nevada, controlled the nine Republicans on the conference committee, and that this wonderful Senator was a Populist. How did this Populist gain admission into this Republican "sanctum sanctorum"? Who gave him the password and the grip of a Republican conferee? How was he admitted? On this side of the Chamber no such privileges were extended to Democrats, much less to despised Populists.

At the beginning of this extraordinary session the Populists and Democrats were given to understand that they were entitled to no part whatever in the formation of the tariff bill. Every amendment offered by them was rejected with scorn and contempt. If any one of us presumed to ask a question for information, we frequently received an insult for an answer. And now he who was most active with his thrusts of derision and scorn comes fresh from the "sugar war" and tells the miraculous story of an English silver-shielded Populist putting to flight a whole army of Republicans. This is a Populist victory that has no parallel in history.

I suppose the gentleman will say, in case the Dingley bill fails to bring prosperity, it is the fault of the Populists.

Mr. Speaker, the Populists have been accused of doing a great many bad things—of being anarchists and repudiationists. They have survived it all. They can endure almost anything, but for heaven's sake do not accuse them of having anything to do with the making of the Dingley bill. It is Republican in every wool and fiber except the concessions given to the silver-plated Republicans.

The regular Republicans did not believe they could pass this nefarious bill without assistance. Their goldbug Democratic brethren, who assisted so nobly in electing President McKinley, refused to be a party to so great a wrong, so the regular Republicans finally bartered with some of the silver-plated Republicans

of the Northwest. Some of the Senators from the Northwest, to their honor be it said, refused to aid in legalizing this sectional robbery. Conspicuous among them was that grand old man, Senator TELLER, the Gladstone of America. Observe that this unholy alliance was between the Eastern and new Western States, the manufacturing States and the mineral States.

The three mineral States combined have a population which does not equal that of an ordinary Congressional district. The Senators who dictated the duty on certain schedules represent a State smaller in population than one of my counties. So we have the old East and the new West pooled against the West and South. This unholy and unnatural alliance may govern this great nation for a while, but as certain as fate it can not last long. In the course of natural events the people of the great Mississippi Valley will eventually govern this nation.

I know this idea is scoffed at by the leaders of the old parties, but it is written in the book of fate. What is more, it will be by a new party. This new party to-day controls some of the great Western States. The members of this new party are called anarchists and cranks. But really, who are they, and what are they? Illiterate foreigners? No; not one. Negroes? A few of the educated ones. Well, who are they? I will tell you. The farmers, the wage earners, the yeomanry of the country, most of whom are sons of Revolutionary sires. Honest, God-fearing people, and he who says otherwise, if informed, must know that his statement is false.

Mr. Speaker, the West expects better times in spite of the Dingley bill. With a failure of crops in large portions of Europe and South America and an abundant one at home, what can prevent better times? We have the richest and fairest land on the face of the earth. God has blessed us with an abundance of almost everything good that grows out of the ground, and why will we not have prosperity? Why, sir, under these favorable conditions we ought to have a veritable boom. In days gone by floods and droughts have damaged us; blizzards and cyclones have done their deadly work; chinch bugs and grasshoppers have mown our green fields and pastures until they were as barren as in winter time.

Corrupt State administrations and incompetent State officials have wasted and squandered our public money. Eastern loan companies have maligned and slandered our people and discriminated against our securities. Railroads that we built and gave to capitalists compelled us to pay unreasonable and sometimes extortionate rates. This bill, the Dingley bill, places upon us unjust burdens without any compensatory benefits, but all of these misfortunes combined are as a drop in the bucket compared to the damage in the shrinkage of values caused by the contraction of the currency.

On this issue the people will fight the next great battle, and hell nor HANNA can not prevail against them. "Sixteen to one" will be the battle cry, and the tariff bill will be as dead as Banquo's ghost. Our good President seems to be preparing for the coming storm. He has a committee chasing a rainbow and hobnobbing the crowned heads and courts of Europe asking for an international conference on bimetalism. Is it reasonable to suppose that the moneyed men of Europe would do something to injure themselves? The rich of this country nor any other country do not want bimetalism—international or otherwise.

It is an open secret that the President has been for some time anxious to gratify the bankers by sending a message to Congress asking the appointment of a monetary commission, but the powers back of the throne have prevailed upon him to wait until the tariff bill is passed. Recently the New York bankers read the riot act to the President in a set of resolutions demanding of him to send a message to Congress asking for the appointment of a monetary commission. Men in bankruptcy were refused legislation. Why should bankers be granted special privileges?

With an international bimetallic committee in Europe and a gold-standard monetary commission at home and a clamoring demand from the bankers to destroy the greenbacks, it seems to me "there are others" who believe that the money question will be the issue in the next campaign.

Mr. Speaker, as General Hancock said, the tariff is a local question. I desire to speak of it from a local standpoint. My district is not only one of the greatest agricultural sections of the West, and is discriminated against by this bill, as all agricultural sections are, but it has within its confines one of the largest smelters in the United States. The operators must procure their lead ore for fluxing purposes. The enormous duty on lead ore prohibits its importation, hence destroys this great industry, thereby materially injuring Argentine, the city in which this plant is located.

But, most of all, the damaging results fall mostly on the laboring men. As to the owners, it matters but little. They are rich, as most gold-standard leaders are. Their blind, deluded followers are the ones who are to be pitied. In my district are also located immense packing houses, with an annual business of over fifty millions; also, the best-equipped stock yards in the world. Last year the gross amount of live stock sold amounted to more than



\$100,000,000. More than 40,000 people are dependent for a livelihood on this industry alone.

All of this great army of workmen will not get an additional dollar for their labor, but will have to pay much more under this bill for the necessities of life. We have an immense trade with Mexico in live stock and provisions that this bill destroys. Time forbids that I should give a detailed statement of the disastrous effects upon the people of my district.

Mr. Speaker, if this bill will bring the glorious prosperity our Republican friends say it will, God speed the day for its passage. If it does, there will be rejoicing throughout the land. The laboring men with hungry wives and naked children, and whose leaders a short time ago begged this extraordinary session to try to do something in their behalf, will forgive you for ignoring them. The countless number of bankrupts whom the Senate passed a law to relieve may forget their slight. The thousands of old soldiers who have flooded this Congress with their pitiful petitions may forgive and forget their wrongs. The sympathizers of Cuban patriots may pardon your professed friendship and cruel desertion. All the people, irrespective of party, will say to you Republicans, "Well done, good and faithful servants!" The name of DINGLEY will live long in history. Monuments will be erected to his memory. Generations yet unborn will be taught to revere his name. At the next election we would have but one candidate for President, and Republicans will be elected by acclamation.

But if this Dingley bill should fail to bring prosperity, what then? I will tell you some of the consequences. In the language of the gentleman from Kansas, this beastly Republican majority in the lower House of Congress will be an insignificant minority. Instead of the mighty man from Maine occupying the Speaker's chair will be the young statesman from Texas or one of the gifted sons of old Tennessee, or possibly SIMPSON, our own Jerry, the "scrapper" from Kansas. Instead of our good President William McKinley occupying the White House will be America's greatest commoner, William J. Bryan.

#### The Advance Agent of Prosperity.

#### SPEECH

OF

HON. CHARLES H. GROSVENOR,  
OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

The House having under consideration the conference report on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. GROSVENOR said:

Mr. SPEAKER: All through this extra session of Congress, and coming over to us as a legacy of the past Congress, our Democratic friends have been filling the air with vociferous interrogation points, demanding to know what has become of the McKinley prosperity, and I propose to address myself very briefly to this aspect of the subject. I begin by saying that the declaration which we so often hear, that the Republicans last year and during the campaign promised the people of the country that the election of McKinley would at once bring prosperity, is simply absurd. Had any prominent Republican, occupying any prominent position toward the party, made such a declaration, he would have been rebuked at once by the intelligent people of the country.

The Republican platform of 1896 made no promise of the kind suggested, but it carefully said to the people of the country that if granted power, by their voice, the Republican party would enact a protective-tariff law going back to the principles of the McKinley law, and would, in this way, ultimately bring about a prosperous condition in the country. What we did say was this: "We renew and emphasize our allegiance to the policy of protection as the bulwark of American industrial independence and the foundation of American development and prosperity;" the foundation of American development and prosperity, not the bringing of prosperity by the mere election of McKinley.

No man said that; but, Mr. Speaker, we are on the eve at last of fulfilling our pledge. The vote which will be taken before we sleep to-night will be taken by the Republicans in fulfillment of their promise to so legislate as to give the people of the country an opportunity to again be prosperous.

Hurried as I am with the business of the closing hours of the session, I can not better fulfill the duties of the present moment than by reproducing the remarks which I had the honor to make at the Republican State convention in Ohio on the 22d day of June last. There may be some very small portions of that speech which are local in their application, but, as a whole, it will serve

a good purpose by reproducing it for the benefit of the House on this occasion. It is as follows:

"MR. CHAIRMAN AND GENTLEMEN OF THE REPUBLICAN CONVENTION OF OHIO: I highly appreciate the honor of addressing the representatives of the triumphant Republican party of this State. I congratulate the Republicans of Ohio that they are a union in opinion and harmonious in purpose. I congratulate you upon the position occupied by the Republicans of Ohio in the eyes and councils of the nation. It has been the sneering criticism of some that Ohio never has but one Republican representative in the Senate of the United States, but to-day Ohio is represented by two Republican Senators. They are the equal in ability to any two Senators of any of the States or of all of the States of the Union.

"That eloquent orator, gallant soldier, wise statesman, and splendid leader, FORAKER, occupies a seat in the Senate of the United States. That popular leader, matchless organizer of men, clear-headed financier, and tried and trusted Republican, MARCUS A. HANNA, occupies a seat in the Senate from Ohio. And in the councils of the party no two Senators wield a greater influence.

"But greatest of all, the peerless champion of Republicanism, the faithful son of the people, the arduous Republican, the faithful soldier, the splendid statesman, William McKinley, is President of the United States; and last but not least, John Sherman, the old war horse of the Republican party, gives the country the benefit of his great wisdom, conservatism, and towering leadership at the head of the State Department.

"Sometimes we hear it said that Ohio, in the years following a Presidential election, has often failed to elect the Republican ticket, and Democratic boastfulness just at this time is claiming with great enthusiasm that history in Ohio will again this year repeat itself. We are here to-day to notify the enemy that the pitcher which has so often gone to the well is to be broken in 1897. We met at Zanesville in 1893, and made an agreement with each other that all faction should cease, and that three great political results should be accomplished. McKinley should be President, FORAKER should be Senator, and Bushnell should be governor. Our Democratic brethren counted then without their hosts, and they said, 'You will not achieve the result, for you will not be faithful to each other; you will not redeem your pledges.' But we were faithful to each other; we did redeem our pledges, and every stipulation of the Zanesville treaty has been ratified, and the Republican party is ready in Ohio for new achievements.

"I am here to say to our Democratic brethren, 'You never were wider in your estimates than you were when you professed disloyalty and unfaithfulness to follow the Zanesville convention, and you never will be wider of the mark than you are now when you prophesy that you will carry Ohio in the November election.'

"I am not here to sound a 'keynote.' That duty has been assigned me by the comments of the Democratic press, but Republicans do not need keynotes. The music to which Republicans march and the battle flag under which Republicans fight are always the same, and we do not require keynotes. The convention of 1896 laid down the law for the Republicans of the United States, and that law has never been repealed, and there is no legislative power in the party to repeal that law until 1900. There is nobody in the party who wants to repeal that law. What is that law? We pledged ourselves in the St. Louis platform that we would 'renew and emphasize our allegiance to the policy of protection as the bulwark of American industrial independence and the foundation of American development and prosperity.'

"We pledged ourselves to favor legislation that would reopen the possibilities of reciprocity of trade with foreign nations. We declared we were 'unalterably opposed to every measure calculated to debase our currency or impair the credit of the country,' and we pledged ourselves to secure, if possible, an international agreement upon this vexed question of coinage. We promised fair treatment to the Union soldier, and pledged ourselves to an American policy in dealing with foreign countries, to reassert the Monroe doctrine, and to the use of the influence of the United States and its good offices to restore peace and give independence to Cuba. We promised to rebuild the Navy, to protect our country from the incursion of foreign immigration deleterious in character to the institutions of our country, and we said that we would honestly enforce the civil-service law while it remains the law; and there were other suggestions.

"This is the charter of the Republican party. It stands unrevoked, and no keynote is necessary to enforce its binding obligation upon the Republicans of the United States, and we are a unit to-day in the defense of every suggestion of that platform.

"How have we fulfilled our pledges? Our Democratic friends are shouting upon every stump and in every newspaper and all over the country demanding to know, 'Where is the prosperity that you promised?' We never promised prosperity. This is the language of our platform upon that subject: 'We renew and emphasize our allegiance to the policy of protection as the bulwark of American industrial independence and the foundation of American development and prosperity.' Every man who knew

anything knew that there must be first a foundation for future prosperity, and then a development upon the foundation.

"Let us turn aside now from following out the other planks of the platform, and see what there is in this cry of the Democrats. A Democrat is never happy when the country is prosperous. That is the one plank in the Democratic platform of principles which never changes. When the country is suffering, the Democratic party is happy. When there is misery and bankruptcy, the Democratic party is shouting triumphantly, and so they enumerate the number of failures in the country, and roll this morsel of consolation as a sweet morsel under their tongue.

"To-day we witness the remarkable spectacle of an exhibition made by Democratic leaders, from the greatest of them all down to the smallest of them all, from their greatest newspaper down to their smallest newspaper, peregrinating the country, hunting out cases of suffering, and jollifying over a condition that they themselves brought upon the country. The cry of the hungry, the wail of the starving, the dolefulness of discontent, from each and all of them, falls music on the ears of these men.

"They forget that it was the Democratic party that struck down the greatest development of prosperity that this country ever saw and brought humiliation, suffering, bankruptcy, and practical beggary upon the people of the United States.

"They forget that when Grover Cleveland was elected President of the United States there was prosperity of the highest order in every department of effort and production in the United States. There had been a period of depression and uncertainty at the date of the enactment of the McKinley law, but conditions had become so favorable that the entire country was prosperous beyond any former period in our history. In no nation of the world was there such distribution of wealth. In no nation of the world was there so much of general happiness. In no country of the world were wages so high and labor so generally employed. We never had experienced such prosperity in our foreign commerce. We had never builded so many railroads, started so many new industries, invested such an enormous amount of capital; and labor was absolutely receiving a beneficent reward in November, 1892.

"The advent of the Democratic party in power paralyzed every industrial institution in the country; wages fell and starvation advanced; foreign commerce was abridged and home industries were paralyzed; factories closed and farms faltered; shops were idle and ships unemployed; money sought shelter and misery stalked in the public places; the prices of property fell to an extent which is beyond estimation. The reduction in values of the real and personal property of the United States between the 1st day of November, 1892, and the like period of 1893, was more than four times the entire cost of the civil war. Fortunes faded like the dew upon the grass. Stagnation, misery, poverty, penury everywhere. No new condition presented itself as a means of escape, and the country stood still, shocked and then paralyzed. Great bodies of men traveled the country in search of food.

"The education of children was abandoned, and despair and the despotism of poverty stalked upon the highways of a once prosperous nation. And it was done by the Democratic party. It was done under their Administration. It happened because of their bad legislation. It came of their failure of duty. It came of their inconceivable incompetency. The most ingenious of all the Democratic apologetes has never been able to explain upon any tenable ground how it was that in a night these horrors came. That night was the night of the Presidential election of 1892.

"Now says the Democratic party two things:

"First. Have you restored prosperity by the election of McKinley? and

"Second. Come back to us; try us again; wade through another four years of sorrow and starvation; maneuver for misery; seek that sorrow in the vale of tears out of which you have emerged.

"There is not one intelligent man in the United States of America who can read and write who does not know, and who did not know when McKinley was elected, that the road to prosperity was a road of sorrow, a road of perseverance, of industry, and of wisdom, not to be suddenly traveled. A house that has been shaken by an earthquake until its walls have tottered and fallen can not be rebuilt by a resolution of the owner that the construction shall go forward. The fire that has swept across the plains and burned the property and devastated the fields can not be reinstated with green grass and waving fields in a moment. The curse of the Democratic Administration has been so implanted upon us that time will be required to extricate us. The brutal blow of Democracy fell so heavily that the reaction must come by scientific processes, by wise statesmanship in enactment, and by faithful perseverance in execution, by faith and patience and dependence upon the truth of our position and the rectitude of our purpose.

"Looking at the whole question from the standpoint of our experience of the last eight years, can it be possible that the Republicans of Ohio will go back to the beggarly elements of Democ-

rary? It could be imagined as possible that there might be dissatisfaction with Republican inaction or nonaction or action, but it can scarcely be imagined that the intelligent people of any country will for one moment even consider the proposition to seek relief by returning to the power of the Democratic party.

"What assurance have the people of the country of better times or better action by the Democratic party if now put in power than they received at the hands of the Democratic party when it was in power? That party has gone off into a condition of hopeless demoralization in the direction of cheap money and unsound currency, and to-day it is negotiating with the advocates of other false doctrines known to American politics to form fusions and combinations, and its divisions on the questions of protection leave it without one principal upon which it can unite. The ruin it brought upon the country during its struggle for administration ought to warn every intelligent man that however much he may differ with the Republican party, no good can come by a return of the Democrats to power. It will not rebuild the industries of the country which Democratic incompetency have destroyed by giving back to the same party any material support and encouragement, and placing it again in power.

"But it is coming. The prices of commodities produced in the United States from the topmost item of agricultural production to the lowest item of manufactured products, are higher in the markets of the world to-day than when the Democratic party went out of power by the blow that was dealt to it in November last. Time will not permit me to read to you a statement of the items, but there is no farmer in the State of Ohio who does not know that every item of production on his farm is worth more money by the pound, per capita, or by the yard to-day than it was last November.

"During the closing years of the Democratic Administration you could not sell a bond of a municipal corporation in the State of Ohio at any price whatever for cash. So thoroughly impregnated was the whole financial mind of the country with the possibilities of Democratic destruction that the bonds of our cities and villages went begging, and labor was paralyzed to a large extent by this cause alone. To-day there is not a municipal corporation in the State of Ohio with a population of 3,000 people which can not sell its bonds at a premium, with an interest rate of 4 per cent, in any of the markets of the country.

"Grant that the return to prosperity is slow. It is coming, and everybody knows it is, and that is why the Democratic calamity howler stands upon the street corners and preaches that McKinley's prosperity is not coming. It is coming, and its speed will be wonderfully accelerated when a Republican Congress, over the protest of a Democratic minority, and the howl of the Mugwump, and the utterances of the Mugwump press of the country, shall have passed a tariff bill under the pledge of the St. Louis convention.

"What next? We told the people of the United States that we would seek, by international agreement, to settle the vexed question of the currency, and President McKinley had not yet been sworn into office by two long months until plans have been perfected which afterwards were executed by a Republican Congress and a monetary commission was appointed, with a view to negotiations looking to securing an international agreement, if possible, to settle this question of the coinage of the world. No Administration of this Government, from Washington down to this time, has ever so fully and religiously observed the tenets of its platform as has the present Administration of the Republican party.

"The Republican party proceeded at once to carry out its pledge in regard to the framing and passage of a tariff bill. The President called Congress together on the 15th day of March, and on the 31st day of March the House of Representatives passed a protective-tariff measure. The bill had been carefully prepared by the laborious and self-sacrificing efforts of the Republican members of the Ways and Means Committee of the Fifty-fourth Congress.

"The bill went to the Senate, and received the careful attention of the Finance Committee of that body. The bill, as it came from the hands of the Senate committee, was amended in many important particulars, but the action of the Senate has been, so far, to justify the assertion which I now make, that the bill, when it is enacted into a law, will be one of the most valuable protective measures that has ever been passed in the United States, and one matter of singular and interesting importance is that some of the most energetic supporters of the various provisions of the bill have been time-tried Democrats of the Southern States, thus demonstrating that the leaven of a protective tariff has at last penetrated the judgment of the leading men of the South, and Democrats from Louisiana, South Carolina, and Georgia, and other States, have joined earnestly with the Republicans in perfecting a measure involving protective duties.

"Thus has the Republican party established a doctrine of protection, and the bill, when it becomes a law, will not only afford generous protection to the industries of the country to-day, but



the support given it by leading Democrats of the South foreshadows a permanency of this law which has appertained to no other tariff legislation.

"The Republicans in Congress have recognized the necessity for protection to agriculture. Fully appreciating that no country can prosper where the agricultural industry is depressed, the Republicans in Congress have provided more efficient protection for the farmer than was ever provided by any other tariff bill in the United States. There is not an important agricultural product of the North or the South that is not cared for. The grain, the hay, the tobacco, the cotton, the cattle, the vegetables, the fruits—everything which can be classed as agricultural products—has been carefully protected against the cheaper productions of foreign countries.

"Wool has received the special attention of Congress, and the woolgrowers of the country, although perhaps not receiving the highest rate of duty that they have anticipated, yet have a vastly better protection than was given in any of the former bills, not excepting the law of 1867. I know this may be disputed, and I will not stop here and now to discuss the question, but call attention to the important consideration, important, perhaps, above all the other considerations, that the duty on wool which, in the long run, will afford, in my judgment, generous protection to the wool-grower, is yet not so startling in its demands and figures as to array against the wool schedule the entire antiprotection forces of the United States, and we may trust now that should this bill become a law, its schedule upon wool and woollens will be the basis upon which the woolgrower may rely for many years, and not be annoyed and distracted by constantly threatening changes.

"It has been one of the purposes of the Republicans in Congress to secure a protective law that would stimulate and promote the cultivation of the sugar beet, to the end that we might cease sending our money abroad for the products of the labor of other countries, and at the same time open up to the cultivation of the sugar beet the vast area of territory in the United States which can be profitably employed in that direction, and thus lessen the competing forces in the production of grain and vegetables.

"While this has been going on the President has made extraordinary efforts to carry out the policy of the Government in the matter of the Cuban patriots. He sent a recommendation to Congress, and Congress responded with \$50,000 to feed the starving Americans. A special ambassador was dispatched to Cuba to learn the truth in regard to the situation there, and the most rapid exercise of just diplomatic authority consistent with our duty to Spain has been extended in every direction to aid the cause of liberating Cuba, and more than one-third of a hundred American citizens who had been languishing in Spanish dungeons and vainly appealing to the Democratic Administration have been set at liberty, and the trial of American citizens by court-martial is now a thing of the past.

"The American people sympathize with the struggling masses of downtrodden people in Cuba, and no man of the Republican party more deeply and sincerely sympathizes with them than does the President of the United States, but the President of the United States owes a duty to the laws and the Constitution of the country, and our treaties with foreign nations are a part of the law, and so the President, omitting no opportunity that could be justly reached and justly acted upon, will fail to respond to the cry of the suffering Cubans, but he will not plunge this country into war until the means of peace and diplomacy have all failed to vindicate the honor of the nation.

"The President found, upon coming into office, that the preceding Administration had debauched all the public offices of the country in the interest of plunder and the spoilsman to an extent that exceeded the greed for office of all the preceding Presidents of the United States. Forty thousand offices, under the specious and false cry of civil-service reform, had been seized upon and appropriated and a barrier placed over them by the President of the United States, with a view to forever guarding the avenues to public office from the approach of Republicans.

"The organization had been perfect and infamous. It had its first great development under that Administration when a civil-service reformer from Boston seized 80 per cent of the consular positions and turned them over to as inefficient and incompetent a crowd, with few exceptions, as ever fled from this country to bask in the sunshine of official position abroad. The soldier had been turned out of office. His place had been filled with untrained and inexperienced Democrats, and during this Administration, thus far, the soldiers who had been removed by the Democratic Administration have been replaced in the offices, by order of the President, through the various Departments of the Government, and steps are being taken to see to it that the civil-service law of the country, which is to be upheld and obeyed, shall not be prostituted and made an instrument for the promotion of a system of spoils unparalleled in the history of corrupt governments.

"Our friends far and wide are complaining of the infamous prostitution of the civil-service law to the base ends of spoilsmen

and the aggrandizement of partisan purposes, and criticism of the present Administration is heard in the land. It must be borne in mind, however, that the President of the United States is bound by the statutes of the country, and took a solemn oath to uphold and protect and execute the laws of Congress. While the orders of Grover Cleveland stand unrevoked and unrepealed by Congress the President of the United States must obey the law and enforce its orders. That the earlier friends of the civil-service law are disgusted with it is evident upon every hand.

"One of three great propositions has been developed by an examination of the conditions. Either the Civil Service Bureau in Washington is ignorant of what has been going on, or second, is corrupt—neither of which suggestions is tenable for a moment—or else that the law is of such a character that in the hands of bad men and partisans it can always be made to subserve directly opposite purposes from which it was intended. But notwithstanding the presence of the law and the orders of Mr. Cleveland, the Republican Administration has reinstated many hundreds of old soldiers who had been dishonestly and corruptly removed from office during the Cleveland Administration, and this work, we understand, will go forward as far as it is practicable to push it.

"The Democratic party held a convention in 1896; indeed, it held two, but I speak of the principal one. It took to its bosom every element of discord and inharmonious and bad politics that existed on the continent. It met at Chicago, was stampeded off its feet by the eloquence of an orator, and its platform was organized by an adroit politician, and among its other declarations was a denunciation of the right of the President of the United States to enforce the laws of the United States by the interference of Federal authority, backed by the Army of the country. It denounced the courts of the country, and threatened, by fair implication, resistance to the enforcement of the decrees of the courts of the United States. It declared in favor of the repeal or abrogation of the civil-service law of the country, and proclaimed its adherence to a new doctrine of Federal official tenure. That platform stands unrepealed to-day.

"A great mass of patriotic, wise, and intelligent Democrats refused to vote for that declaration of principles; refused to vote to debase the coinage; refused to scale the debt of the country to half; refused to Mexicanize our financial system; refused to follow the lead of China and the Cannibal Islands; refused to denounce the Supreme Court and uphold anarchy, and wheeled into line to overthrow the bastard Democracy of the Chicago platform. All honor to the men who severed the ties that bound together the corrupt organization of that party and brought its members together, if not directly, at least indirectly, in support of good government and wise legislation; and they have the consolation of having aided in the rescuing of their country from bad government, and the patriotism that impelled their action in 1896 will not fail of fruit in 1897.

"Our Democratic friends are to hold a convention in Ohio shortly, and they will proclaim their allegiance to the doctrine of the free and unlimited coinage of silver, taking their stand firmly upon the foundation of a 50-cent dollar and the depreciation and degradation of the coinage of the country. But what else will they do? Dare the Democratic party in Ohio to again announce itself in favor of anarchy? Will the Democratic party of Ohio dare to proclaim itself in favor of the overthrow of the authority of the courts, the repudiation of the theory of law and order? Will it? Or will it single out from the Chicago platform the specious cry of free silver and abandon those sections of the platform that shook and thrilled America with the belief that the Democratic party menaces the institutions of the country? Will they speak out plainly? The people of this country are opposed to anarchy. They are opposed to the reign of the commune. They believe in law and order. Let the Democratic party in its calamity-howling convention dare to indorse the Chicago heresy of anarchy and resistance of law and the people of Ohio will win a victory that will forever place Ohio in the front rank of law-abiding people.

"This is a State campaign; that is, it is a campaign for the election of a governor and members of the legislature, and it may be said with some force that national politics do not enter here, and were I a representative of the Democratic party, I would plead strenuously that national politics should be excluded from consideration; but national politics will enter the canvass. Whenever a United States Senator is to be elected, with the Senate in its present condition, national politics necessarily enter the arena.

"But what of Ohio? We are to reelect that tried, true, uncompromising and faithful Republican governor of Ohio. His administration will be an issue before the people. What has it been? Here upon the threshold of the contest I challenge the Democratic party to denounce or to successfully criticize it. Faithful to the platform of his party, Governor Bashnell has administered his great office loyally and with fidelity and success. His administration has been what he promised it should be, a business administration; that is to say, the public institutions of the State should

be put upon a business basis and administered with economy and integrity, and so it has been. The taxes of the people have not been increased in ratio, and the treasury has been protected from deficit. The institutions of the State are in a high condition of efficient administration.

"The honor of the State, the dignity of the office, and the high degree of administrative excellence which Governor Bushnell inherited from his distinguished predecessor have been maintained without diminution. Our Democratic brothers will waste time and effort if they attempt to assail the local administration. The legislature passed healthful and valuable laws, and we can safely defend its record. The details of the State administration and State legislation will be successfully maintained before the people of the State by gentlemen better acquainted with them than I can be.

"Men of Ohio, men of the country, the institutions of your country are safe and safely guarded in the hands of William McKinley, of Ohio. He never occupied a position in all his eventful and splendid career that he did not rise to the utmost round of possibility in the discharge of his duty. He has filled every place full to the brim, and in the present high position which he occupies he will not fall below the standard that he set before.

"Patriotic by birth, by the inspiration of his life; an American from intellect, an American full of the traditions of love and affection of his own country, his own home, his own family, he is a model American, a type of the best development of the American citizen, and coupling with his oath of obedience to the Constitution faithfulness to pledges, he will merit and will receive the unequalled, enthusiastic support of the men of his own State.

"The issues, then, upon which this contest is to be fought are the issues of the platform formed at St. Louis. Under it we followed our magnificent leader to a magnificent victory. Under it we were achieving the results which we promised. By it we will stand or fall. By it we will win victory or honorable defeat. Under its terms we will challenge the world, and under its terms we will march to victory in November."

Let us see what has already been the result of the election of McKinley and the proposed legislation. I hold in my hands Dun's Review for several weeks of the current spring and summer. I find in its issue of April 10, on the first page, the following:

Out of 4,006 failures, with liabilities of \$60,732,561, in the first quarter, 74 banking failures covered more than a fifth of the amount, \$12,744,650.

And I point to this simply to show that the banking business of the country has suffered at least equally to any of the other departments of business.

Coming to the issue of May 8, I find the following:

Nearly all will be astonished to learn that actual sales in April by leading houses in each line of business in the principal cities east of the Rocky Mountains averaged only about 10 per cent less than in April, 1892, the year of largest business hitherto, and were 6.1 per cent more than in the same month last year. Yet this is the summary of 357 reports, each covering actual sales of leading merchants in a line of business in 1 of 14 cities, which are given by cities and by different branches of trade in this issue.

Coming to May 22, the same authority says:

Unmistakable evidence of improvement comes in the general increase of commercial loans, mostly for Eastern merchants or companies, though some well-known houses in the Middle West appear, with considerable rediscounts from the South. Not for a long time have commercial loans been fully half the whole. The distinct change gives proof that new business has been larger than many have supposed. Receipts of money from the interior exceed shipments \$1,500,000, mostly from the Middle West.

Coming to June 12, we have—

Indications of the volume of business are seen in clearing-house exchanges, which for the week exceeded last year's 8.7 per cent, and in railroad earnings, which amount, in the United States alone, to \$24,708,987 on roads reported by Dun's Review for May 3, 3 per cent larger than last year and 0.3 per cent larger than 1892. The fourth week of May was the best, and the return is the best this year.

I cite this authority to show the steady growth of business, and to show that immediately upon the assembling of this extra session of Congress, under the call of the President, and when the American people realized that the Republican party was going straight forward to execute its promises, business at once began to revive; and now I come to a statement of the highest importance.

Certain of the leading newspapers of the country set about ascertaining if it were true that the farmers of the country were in the suffering condition it has been so often proclaimed upon this floor. They undertook to ascertain if it was true that the farms of the farmers were being swept away by the mortgage debts upon them. There is throughout the United States, and especially the West and Middle West, a system of business which reveals at once the condition of these affairs in the various States, and in the New York Sun of July 18, only yesterday, I find the following:

[From the New York Sun, July 18, 1896.]

IN PROSPERITY'S SWEEP—WESTERN STATES ON THE HIGH ROAD TO GOOD TIMES—UNPRECEDENTED SHOWING OF MORTGAGES CLEARED—MONEY GOING BEGGING—ECONOMY AND GOOD FARMING METHODS HAVE BROUGHT ABOUT A REVOLUTION—DAIRY AND CATTLE RAISING BRING RICH REWARDS—THIS YEAR'S CROPS LARGE.

SEATTLE, WASH., July 17.

For the first time in several years there is much idle money in Washington. This state of affairs is due in a great measure to the excellent crops of 1896

and to the prospects of still better crops in 1897. All the wheat belts of the State, including the Big Bend of the Columbia, the Palouse country, the southwestern part of the State, and Skagit and Whatcom counties, will produce, it is estimated, at least one-third more than ever before, and the first step of the farmers will be to raise the mortgages of their farms.

"The debt of the farmers of Washington," said C. E. Vilas, of the Washington National Building, Loan, and Investment Association of Washington, "will be decreased at least 25 per cent by this year's crop."

R. P. Latimer, of Dexter, Horton & Co., says that a reduction of 25 per cent on debts for the last three years is a low figure. The estimates are that the farmers will gain \$10,000,000 from the crops of 1897.

Jacob Furth, president of the Seattle National Bank, says a great number of mortgages on farms have been paid off, and he has advice from the Big Bend to the effect that this year's crop is of the very best quality. A like condition exists in the Palouse country.

Levi Ankeny, banker, of Walla Walla, was in Seattle a few days ago, and said that Walla Walla had too much idle money.

E. Cardin, of J. Adams & Co., says the wheat crop will be the largest ever produced in Washington, amounting conservatively to about 18,000,000 bushels. The farmers will probably get 55 cents in eastern Washington and 70 cents at this port.

Seattle, owing to the opening of the oriental trade, will handle six times as much grain as ever before. Mr. Cardin says there will be better times this fall than in five years. Last year an east Washington farmer went to the Northwestern Bank in Spokane.

"Take my farm," he said, "I can not pay the mortgage."

The bank not only declined to do so, but gave him seed wheat. This year he will clear himself of debt and have a snug balance.

PORTLAND, OREG., July 17.

The farmers of Oregon, Washington, and Idaho, owing to the good price of wheat, have been enabled to pay off most of their mortgages, and this year will get almost entirely out of debt.

The Washington loan agents find their business greatly restricted on account of Populist legislation. The late legislature passed an act increasing the amount of property exempt from execution, and abolishing the personal judgment clause in all mortgages, so that only the property mortgaged can be held for money loaned. In Oregon loan agents are not hindered in this manner, but they report a very slack demand for money at the present time.

BISMARCK, N. DAK., July 17.

Inquiry among leading agents of loan companies develops the fact that few applicants for farm loans exist in comparison to former years, and hundreds of farm mortgages have been paid recently. The exact reduction of the mortgaged debt of the State would be impossible to ascertain without investigation of the records of each county, but the aggregate decrease will be large. This improvement has come about through more scientific farming, greater attention to diversification of products, and the extension of the stock industry. The latter has assumed larger proportions among small farmers in the last few years than ever before. Applications for hundreds of new brands have been filed with the secretary of state. The raising and shipping of stock is the most profitable occupation of farmers, and not until recently has it been taken advantage of here.

The advance in the price of wool has been worth hundreds of thousands of dollars to the State, and nearly every farmer has a flock of sheep and receives part of the benefit. The new law allows the state board of school lands, which has the custody of \$1,000,000 of the permanent school fund, to make loans on farm lands at a very low rate of interest, and it has not yet had an application for a loan from any farmer.

HELENA, MONT., July 17.

Information obtained from loan agents and officials of this county is to the effect that the mortgage indebtedness is being gradually reduced, and that this process has been going on for some time. Farming settlements are so small and widely separated that it is difficult to give their condition, although it is believed to be improving slowly. In the regions where stock growing is the chief industry the improvement is decidedly noticeable. Three years of plenty have put the sheep and cattle men in prime financial condition. The advance in wool this year has been particularly helpful for the sheep men, who have had two years of favorable conditions on the ranges.

The copper, gold, and coal mining camps of the State are working to their limit, and indebtedness will be gradually lessening in these camps. On the whole, the conditions of the State are improved.

DENVER, COLO., July 17.

Colorado has paid off debts approximating \$2,000,000 since the first of the year, and bankers report more money in their vaults than they can possibly find any use for. The First National Bank of Denver on the 1st of the month had \$10,000,000 in deposits, the greatest in the history of the institution, which is the oldest in the State. The managers say that they find less demand for money than at any time since they embarked in business, and that the bank has simply become a place of deposit, owing to the prosperous condition of the city and State, which precludes a ready market for loans.

Never has there been so much loose money in the Western country, owing mainly to the introduction of feeding, which has superseded the old-fashioned range system in live-stock raising. Colorado farmers have embarked heavily in feeding of both beef and sheep, and have taken the place and the profits that formerly accrued to the corn growers. In the city there is a great deal of building going on through a desire to employ funds that would otherwise be idle. This takes away from the banks one of the most lucrative sources of loans, for building has always been carried on here on borrowed funds.

Fruit growers who have scored one of the most successful years in their history say that they do not want money, as the buyers are all too eager to get their crops to wait for the holders to move it. New York, Chicago, and St. Louis commission men are making advances that properly belong to the Colorado banks. They are taking the fruit on the ground, and as the value of that crop alone is estimated at \$6,000,000, the fact of the introduction of outside capital, it may be seen, is a serious handicap for the local holders of money.

The mining world is not taking any money, and the bank rate, which has usually been held in Denver from 10 to 12 per cent, has fallen to 5 and 6 per cent, with money begging for employment at those figures.

DES MOINES, IOWA, July 17.

Investigations made here through local agencies and financial institutions reveal the fact that Iowa farmers have been paying off rather than adding to their mortgages. Owners of unimproved lots are the principal borrowers. The farmers of Iowa had a hard time of it last winter, due to the softness of the corn crop and the death of \$25,000,000 worth of hogs of hog cholera. If



these hogs had been fed to sell, the surplus corn would be of much smaller bulk now and prices would probably rule higher. During the last few weeks corn in local stations has been quoted as high as 22 and 23 cents, this being in the places where farmers feed rather than sell their corn.

There are few farmers who are behind on interest payments on mortgages. Money was never more plentiful in Iowa than it is now for loaning purposes. The ruling prices for money are now 6 and 7 per cent, rarely 8 per cent, which is the legal rate. Some money in large quantities and on long time has been loaned on real-estate security for 5 per cent, which was unheard of until recently. There is a scramble among money lenders to pick up good loans. That Iowa mortgages are fewer now than they were a few years ago is admitted by all money lenders. The hard times have caused some people to go into debt, but there has been greater economy practiced and there has been a desire to settle up and begin even with the good times that are felt all over Iowa to-day.

#### SIoux FALLS, S. DAK., July 17.

The loan agents of Sioux Falls all agree that the last four years have been years of wonderful debt paying. D. L. McKinney said that \$50,000,000 would just about cover the aggregate of the debt liquidated in that time. When the hard times struck South Dakota four years ago, people stopped going into debt, because they could find no one of whom to borrow. Then came an era of close economy, followed by a superhuman effort to get out of debt. For the last two years crops have been good, and for the last year have sold for a good price. The creamery industry has brought into the State \$3,000,000 a year, and live stock \$25,000,000.

Loan agents here are unable to place one-half the amount they are willing to loan, even at a reduced rate of interest. Mark Russell, whose company has 1,500 loans in South Dakota, says that over 30 per cent are paying up in full at maturity of the loans and most of the rest are making partial payments.

Figures from several counties show that where one mortgage has been recorded five have been paid. Some of the liquidation has been enforced through foreclosure, but this is on city property which was mortgaged in the days of inflation. There have been very few foreclosures on farm lands.

It is estimated that in 1897 the product from the South Dakota farms, including the live-stock, and creamery industries, will aggregate \$103,000,000. This, distributed among 350,000 people, is enough to give a comfortable living and, in addition, to make a great inroad on their indebtedness.

#### ST. PAUL, MINN., July 17.

The mortgage and loan business on farm lands in Minnesota has fallen off more than 50 per cent during the last three years, principally in the last year and a half. Of all the loans that were in existence in Minnesota on farming lands three years ago the various concerns differ slightly on the percentage that has been paid. The lowest estimate places it at 10 per cent and the highest at 25 per cent, while the average seems to be 10 to 20 per cent. This is held by the mortgage and loan concerns to be a wonderful showing, when it is taken into consideration that a vast amount of money was loaned in Minnesota during the boom times. It means that that much has been paid back over and above what has been borrowed. There have been practically no foreclosures.

That the State has felt the pinch of hard times was one of the great factors that kept the farmers from going farther into debt. When the bottom fell out of the boom, the farmer was the first man to take to the woods. He immediately cut his expenses and practiced the closest economy. The farmer incurred no new debts.

Although diversified farming has gone a great way toward relieving the Minnesota farmer of his debt, by far the greatest factor has been the dairy interest. There are hundreds of creameries and half as many cheese factories in Minnesota, and the majority of them have been established since 1892. The effect of the establishment of these creameries has been almost electrical. It has been the principal cause of the large payments of mortgage loans. At the end of the month the farmers get returns from the creameries.

A great many of them, in fact almost all the larger creameries, are cooperative concerns, owned entirely by the farmers, who share the profits among themselves. In this manner they have always enough money to buy their groceries, clothing, and such necessary commodities of life, while on the farm they produce their own flour, vegetables, and meats. The result is that from the sale of their wheat, oats, corn, pork, and beef they realize a net profit, and it is this money that has been used to pay off the mortgages.

#### LITTLE ROCK, ARK., July 17.

Although the crops in part of Arkansas were cut short by drought last year, the people by economy are getting out of debt. The people look forward to an era of railroad building in the near future unparalleled in the history of the State, from which they confidently expect good results. The State debt is not large, and will be considerably reduced by the acts of the special session of the legislature. Governor Jones thinks very little of it will remain at the end of his administration. The loan companies are doing very little business in the State. Many of them have withdrawn recently.

#### LINCOLN, NEBR., July 17.

The report of the State banking board just issued contains much encouragement for business men. It shows the condition of the State and private banks at the close of business on May 20, 1897, as compared with that at the close on December 31, 1896. At present there are 400 banks, as compared with 414 on December 31. During the interval 23 banks have closed, 3 have reorganized, and 9 new banks have opened. Under the head of liabilities there is a general falling off in the amounts, with a notable exception in the item of deposits, which shows an increase of \$1,006,628.96. In resources there is an increase of \$1,227,123.40. These latter two items, resources and deposits, are regarded as especially encouraging by business men.

Here, then, is a complete refutation, clear, convincing, and sweeping, of the calamity howls that we have heard, and I point, gentlemen on the other side, to this record. I did not make it. Republicans did not make it. It was published in a Democratic newspaper, published as the result of a candid and fair nonpartisan investigation; and I point to it to answer the interrogatory which comes to us so often, "Where is the McKinley prosperity?"

The splendid speech of the President, made at the banquet of the manufacturing bodies at Philadelphia on the 2d day of June last, was the battle cry that rallied the people of the United States to a renewal of confidence in the future of the country. It sounded forth like the call to arms. It thrilled the nation from the East

to the West and from the North to the South. Its influence is yet to-day inspiring hope, credit, and confidence. He said:

DR. PEPPER, GENTLEMEN OF THE MANUFACTURERS' CLUB, DELEGATES TO THE INTERNATIONAL CONVENTION; LADIES AND GENTLEMEN: For the cordiality of your reception I am indeed grateful, although, from my recent experiences in this great city, not wholly and altogether surprising and unexpected. [Applause.] A recent visit to your city gave me an opportunity to feel the welcome heart touch of the people of Philadelphia and enjoy their splendid and boundless hospitality. [Great applause.]

I must tell you that from first to last I have been deeply impressed with the scenes witnessed in Philadelphia to-day, witnessing the remarkable spectacle of the representatives of all the American Republics, with the products of their skill and their soil in one common warehouse for comparison and observation, thanks to Dr. Pepper and the Philadelphia museums. [Great applause.]

The first great convention of these republics was organized by the matchless diplomacy of that splendid American, James G. Blaine. [Cheers and tremendous applause.]

Seven years ago he brought the Governments of this continent together and taught the doctrine that the genuine reciprocity in trade required reciprocity of information. [Great applause.] And it was the genius of the many gentlemen I see here around this board to-night that originated the Bureau of American Republics, located in the capital city, which has already done much good and which, I believe, will yet play an increasingly important part in our trade relations with the Governments supporting it. [Cheers and applause.]

My fellow-citizens, there is no use in making a product if you can not find somebody to take it. [Applause.] The maker must find a taker. [Applause.] You will not employ labor to make a product unless you can find a buyer for that product after you have made it. [Cheers and applause.]

Gentlemen, I am glad to meet the representatives of the American Republics here to-night. [Applause.] I am glad to meet the representatives of all the Governments of the world here to-night. [Applause.]

I have met the manufacturers of Philadelphia and the State of Pennsylvania before. [Applause and laughter.] I met you in the days of your highest prosperity. [Prolonged cheering.] I can not avoid meeting you if I want, and I would not if I could [great applause] in this, your hour of somewhat prolonged adversity. [Cheers and applause.]

But let me tell you, my countrymen, that resuscitation will not be promoted by recrimination. [Applause.] The distrust of the present will not be relieved by distrust of the future. [Applause.] A patriot makes a better citizen than a pessimist. [Great applause.] And we have got to be patient. [Applause.] Much as we want to move out of the old house, we can not do it until the new one is finished. [Cheers and applause.]

A tariff law half made is of no practical use, except to indicate that in a little while a whole tariff law will be done [applause], and it is making progress. It is reaching the end, and when the end comes we will have business confidence and industrial activity. [Renewed cheers and applause.] Let us keep steady heads and steady hearts. [Applause.] The country is not going backward, but forward. [Applause.] American energy has not been destroyed by the storms of the past. [Applause.] It will yet triumph through wise and beneficent legislation. [Great cheering.]

Philadelphians have in the past shown what busy industries and well-employed labor can do to make a great city and a contented population. [Applause.] They do not mean to accept present conditions as permanent and final. [Cheers.] They will meet embarrassments as they have bravely met them in the past, and in the end will restore the splendid industries and the magnificent labor to its former condition and prosperity. [Great cheering.] And, gentlemen, Philadelphia is but a type of American pluck and purpose everywhere. [Great and prolonged cheering and applause.]

Mr. Speaker, prosperity is coming. We hear the sound of the chariot wheels as they rumble over the mighty paths of commerce, trade, manufacture, agricultural productions, railroad enterprise, and all the various engines of industrial production and industrial prosperity. We see that the people have realized it. Even in the air the very spirit of hope flashes over the eye of the business man. The spirit of enterprise is seizing upon the industrial elements of the country.

The spirit of confidence is returning. We have had no business confidence in this country for many, many long months and years. Sadly we have waited, patiently we have tarried, earnestly we have hoped; but it came not, and the darkest hour, financially, commercially, industrially, this country ever saw was on the election day of last year. The air was full of panic and conditions were ripe for disaster, and it has been a miracle of recuperation that we have witnessed.

There have been more buildings projected in the cities and towns of the United States and finished or pushed toward completion since the election of William McKinley last November—five times more—than there were in the four years of Cleveland's last Administration. Look about you. You see it coming; you see the dawning of a better day. The fringes of the vast curtain that hides the commercial and financial future are all luminous with the glories of the coming day. It has been an awful struggle. Democratic incompetency and Democratic bad politics plunged the country into the vortex, and Democratic persistency and Democratic bad politics sought to hold it there, and the Democratic party has sought to discourage hope ever since the election of McKinley.

If the business men of the country believe the speeches that they have heard upon the floor of Congress in its two branches during the past four months, they would hoard their money in the banks and never touch an enterprise. If they had as much confidence in the Democratic party as they appear to have in the Republican party, the absolute destruction of the business interests would be just as certain as is the death of Napoleon Bonaparte. But the people remember the despair out of which they have emerged. They remember the toils which they experienced during the past four years. They remember the fruits and the flowers that they enjoyed in the past under Republican administration,

and looking about them they see in the present a morning star of hope, shining in the horizon in the east.

I say to them, McKinley prosperity, Republican prosperity, the prosperity of the industrial people of this country, is coming. It has been held back and held in check and distempered and disordered by the slow movement of legislation, but it can be held in check no longer. Like a mighty giant it has broken the fetters of Democracy, it has shaken its limbs free from the environments of bad legislation, and now comes the proof and evidence that industrial prosperity will move to the front.

### The Tariff.

### REMARKS

OF

HON. STEPHEN A. NORTHWAY,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897,

On the conference report on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. NORTHWAY said:

Mr. SPEAKER: Among the arguments against the pending tariff bill which have been offered on the other side of this Chamber is that threadbare assertion that a tariff for the encouragement and protection of manufactures is unconstitutional. That idea has, perhaps, been more vigorously urged on this occasion than usual because the bill in question specifically declares the encouragement of the industries of the United States to be one of its purposes. While it is not my intention at this time to enter into an elaborate argument on constitutional questions, I do desire to call attention to the inconsistency of the attitude of the Democratic party, both in its relations regarding the constitutionality of a protective tariff and the equally grotesque and unfounded constitutional assertions of that other feature of the present Democratic faith, the free and unlimited coinage of silver.

Regarding the assertion that the protective tariff is unconstitutional I desire at this time to make a single observation. The first act framed and passed by the first Congress which assembled after the framing and adoption of the Constitution was a tariff bill. The Congress which framed and passed it was made up largely of men who either helped frame the Constitution or were familiar with the views and designs of the framers of that instrument. It goes without saying, then, that the first tariff bill framed under this Constitution must have reflected the views of the framers of the Constitution. If this assumption is admitted, and I think it will be by every reasonable man, it is easy to prove beyond question that the framers of the Constitution did not consider protection a violation of its provisions or intention, for the preamble of that first tariff act declared distinctly that it was levied "for the support of the Government and the encouragement and protection of manufactures."

This question of the real meaning of the Constitution and its interpretation is so closely allied to another feature of the present Democratic creed that I may be pardoned if I give some attention to it on this occasion. The subject to which I allude is the new doctrine of the Democracy that the Constitution requires coinage of silver concurrently with gold at the ratio of 16 to 1 without reference to the real ratio of comparative values of the two metals in the commerce and estimation of the world. This subject is so exhaustively discussed by Mr. O. P. Austin, of this city, a writer of long experience and careful research, that I have taken the liberty of quoting a statement recently prepared by him in which he discusses this question as asserted in the national Democratic platform of 1896 and reasserted in the Ohio Democratic platform of 1897. The statement is as follows:

A DISCUSSION OF THE ASSERTIONS OF THE OHIO DEMOCRATIC PLATFORM OF 1897.

"Recognizing that the money question is paramount to all others at this time, we invite attention to the fact that the Constitution names silver and gold together as the money metals of the United States."

This statement is inaccurate and intentionally misleading. The only place in which the Constitution "names silver and gold together" is where it declares that "no State shall make anything but gold and silver coin a tender in payment of debts." It does not say that silver and gold shall both be coined in an unlimited manner or that either one or both shall be coined at all, but specifically gives to Congress the power to determine what the coinage of the United States shall be, both as to the metals used and their relations, by saying in explicit terms, in section 8: "The Congress shall have power to coin money and regulate the value thereof." It does not "name silver and gold together" as the platform says, but names gold and silver together, pointing only giving the preference to gold by saying in section 10: "No State shall make anything but gold and silver coin a payment for debts." If anything is to be inferred as to the relation which it intended that the two metals should bear it is clearly that gold was to be the measure, since it is first named in the only place where the metals are mentioned, and if the framers

of the platform wanted to be frank, why did they not follow the wording of the Constitution in their statement and say "gold and silver" instead of reversing it and saying "silver and gold?"

"The first coinage law passed by Congress under the Constitution made the silver dollar the money unit and admitted gold to free coinage at a ratio based upon the silver-dollar unit."

The first coinage law clearly made gold a standard by first naming all the gold coins which, it said, should be of the value of a given number of units, and said that the unit should be "of the value of a Spanish milled dollar as the same is now current, and to contain 416 grains of standard silver." If the advocates of silver insist that this act interpreted the meaning of the Constitution and that this interpretation must be followed, why do they now insist upon a standard silver dollar with only 412 grains of silver instead of the 416 grains which the act specifically names? By their own proposition they demand a violation of what they claim is a constitutional requirement.

This act, which they claim is an interpretation of the Constitution on this question, provides "that every 15 pounds weight of pure silver shall be of equal value in all payments with 1 pound weight of pure gold." If this is an interpretation of the Constitution, why do these sticklers for its observance propose to violate it by saying that every 16 pounds weight of silver shall now be equal to 1 pound of gold? Would there not be equal authority for saying that every 17, or 18, or 20, or 30 pounds weight of silver shall be equal to 1 pound weight of gold? By their own proposition to change the ratio they admit that neither the Constitution nor the first act passed under it are binding as to the future relations of gold and silver as money.

The fact that this act specifically said "that every 15 pounds weight of pure silver shall be of equal value with 1 pound weight of pure gold" shows that gold was intended to be the measure of value, for had it intended that silver should be the measure it would have said that 1 pound of gold should be equal in value to 15 pounds of silver. Alexander Hamilton, who was one of the framers of the Constitution and whose report to Congress was the basis of this act, said of the alleged unit—the Spanish dollar—"that species of coin has never had any settled or standard value, \* \* \* while gold has a fixed price by weight, with an eye to its fineness. This greater stability of the value of gold coins is an argument of force for regarding the money unit as having been hitherto virtually attached to gold rather than silver."

If these gentlemen insist that the first coinage act passed under the Constitution is an exact interpretation of the meaning of that instrument, why have they and their party always insisted that a protective tariff is a violation of the Constitution when they know that the very first act passed under that Constitution declared that the tariff duties which it levied were "for the support of Government and the encouragement and protection of manufactures?"

"We declare that the act of 1873 demonetizing silver without the knowledge and approval of the American people," etc. The act itself says in specific terms that "this act shall not be construed to affect any act done, right accrued, or penalty incurred under former acts, but every such right is hereby saved," thus clearly stating that it did not demonetize any of the coins authorized prior to that date, while every one of the four hundred and fifty million standard silver dollars coined since the passage of that act is and has constantly been a full legal tender and none of them is or has been demonetized.

The act of 1873 was not passed "without the knowledge or approval of the American people." It was submitted to Congress in April, 1870, printed thirteen times, discussed at intervals until January 1, 1873 (nearly three years), the debates and discussions filling 144 pages of the CONGRESSIONAL RECORD, which was published daily during the session in which it was discussed. The American people had ample opportunity to know all of its provisions, and that there was no popular disapproval of it is shown by the fact that 112 of the members of the House which passed it were reelected, many of them continuing to serve in Congress to the end of their lives, while several are still members of that body, notably WILLIAM M. STEWART, of Nevada, who voted for the bill, and who in a speech delivered on June 12, 1874, said:

"The laboring man and the producer is entitled to have his product and his labor measured by the same standard of value that measures your national debt. You require from the laboring man gold to pay the interest on your national debt, which is right, which can not be avoided if you mean to save national honor; but then give him the same money with which to pay that debt. The question will never be decided until you determine the single question whether the laboring man is entitled to have a gold dollar if he earns it or whether you are going to cheat him with something else."

"We declare that the act of 1873 \* \* \* has resulted in the appreciation of gold."

It has not "resulted in the appreciation of gold," because gold has not appreciated. Any article "appreciates" in value only when there is an increased demand for it, either because of the reduction in the quantity or an enlarged need for it in the current affairs of life. The figures of the best statisticians show that the gold coin of the world and the total money of the world have increased much more rapidly than the population since 1873; hence the absurdity of the claim that it has "appreciated" in value, since the amount for each individual in the world has greatly increased since the passage of the act in question. The gold money of the world has more than doubled since 1873, the silver money of the world has nearly or quite trebled in that time, and the paper money has also increased largely, while the population of the world has increased only 25 per cent in the same period.

It is thus evident that the total amount of money for each individual in the world is much greater than in 1873, and that there can thus be no increased per capita demand for gold, and hence no "appreciation" in its value, while the fact that a large proportion of the business of the world is now performed with checks, drafts, and other forms of credit without the direct use of money further reduces the demand upon gold.

The mines of the world produce more gold to-day than they produced of gold and silver together in 1873; the silver production of to-day is nearly three times what it was in 1873, and the amount of silver now annually coined is more than was produced from the mines of the world in 1873. The number of silver dollars coined in the United States in the fiscal year just ended was two and a half times as many as in the entire history of the mints prior to 1873, and the total number of full legal-tender dollars coined in our mints since 1873 is fifty-six times as many as were coined in the entire history of the Mint prior to the act of 1873.

"We declare that the act of 1873 \* \* \* resulted in an appreciation of gold and a corresponding fall in prices."

Since it is shown from official statistics that there has been no appreciation of gold, but, on the contrary, a vast increase in its production and coinage and an increase in the other classes of money of the world, the cause of the fall in prices of commodities can not be successfully charged to a depreciation of gold, but must be looked for elsewhere. This fall in prices is due to the enormous increase in production and to the reduced cost of producing and transporting the products of the farm, factory, forest, and mine. Senator Peffer, in his report to the Senate in 1894 on the cause of the fall in agricultural prices, said:

"In Kansas it appears from the report of the secretary of the State board of agriculture that it costs 50 cents to raise a bushel of wheat. \* \* \* In



Pennsylvania the average cost of producing a bushel of wheat is about 65 cents. . . . Wheat in India costs but about 13 cents a bushel on the farm, 12 cents more puts it aboard ship, and 25 cents additional lands it on the wharves in Liverpool. This 50-cent wheat from India competes (in our best market, England) with wheat on American farms at an average cost of 60 cents per bushel. . . . Wages of India farm hands run from 6 to 10 cents of our money per day."

The same report shows that the cost of producing wheat on the great farms of California and the Dakotas is less than half the average cost in the Central Mississippi Valley, while similar conditions prevail in Argentina and Australia, which, through the extremely low ocean freights, are also competitors with us in all the markets of the world. The reduced cost of agricultural products, due to the combination of low freights and the use of machinery, finds a parallel in the reduced cost of manufacturing in all lines through similar causes, and also in a reduction in the cost of mining and the production of the precious metals, which thus supply the money of the world at a greatly reduced cost of that prime measure of value, labor.

"We declare that the act of 1873 . . . has resulted in . . . a heavy increase in the burdens of taxation."

The increase in the burdens of Federal taxation is mainly due to the increase in expenditures for pensions, public buildings, and river and harbor improvements, and any party which would specifically declare against a continuation of these would quickly find itself repudiated by the people.

"We declare that the act of 1873 . . . has resulted in . . . a heavy increase in the burden of all debts, public and private."

The census figures show that the increase in debts since 1873 has been, in a very large share of the cases, for the purchase of homes or the improvement of farms, and that the sections in which this increase in mortgage indebtedness has been greatest have been those which have shown as a result the greatest activity and the greatest increase in actual wealth and genuine prosperity.

"We declare that the act of 1873 . . . resulted in . . . the enrichment of the money-lending class at home and abroad."

The money-lending class can only "grow rich" by the interest which they get for their money loaned, and everybody knows that the rates of interest have greatly fallen since 1873 and that their opportunity for enrichment must consequently have been correspondingly reduced. The usurious rates of interest which were possible in many sections of the country prior to 1873 are now absolutely prohibited by State legislation.

"We declare that the act of 1873 . . . resulted in . . . the prostration of industry and the impoverishment of the people."

Industry was not "prostrated" or the people "impoverished" until the success of the Democratic party at the polls in 1892, and its free-trade legislation which followed, paralyzed industry in the United States and transformed its communities of busy workmen into idlers, this bringing a "prostration of industry and impoverishment of the people." There was never greater prosperity in the United States or any other country than that of the years immediately preceding the Democratic success of 1892, and never greater "prostration of industry and impoverishment of the people" than that which followed that Democratic success. It is because of the "prostration of industry and impoverishment of the people" through the operations of the Democratic party that its leaders now abandon their time-honored principles and ask a restoration to power on a currency proposition which has been discarded by the most progressive nations of the world and is being rejected by others as rapidly as possible.

"We are unalterably opposed to monometallism, which has locked fast the prosperity of an industrial people in the paralysis of hard times."

The adoption of the free coinage of silver at the ratio of 16 to 1 would result in true monometallism, with silver as the money metal. This is proven by the fact that every country which has attempted to retain the silver standard or the concurrent free coinage of both metals at a ratio so widely different from the commercial ratio of the two metals has lost all of its gold and retained only silver currency and true monometallism, while other nations making gold the standard and coining silver on government account circulate both metals in large quantities, approaching thus more nearly to true bimetalism than those which by the free and unlimited coinage of silver as a ratio widely different from the commercial ratio of the two metals obtain only silver monometallism. The condition of the people of the countries maintaining the gold standard, or what the framers of this platform term gold monometallism, is one of vastly greater prosperity than that of the people of the countries maintaining the silver standard.

There is vastly more money per capita, better wages, better homes, more comforts of life, and more education and more general intelligence among the people of the gold-standard countries than among those of any of the countries having the silver standard. Mexico, which is probably the most prosperous of the silver-standard countries, has a total of \$4.95 per capita for its people; the South American States a per capita of less than \$2, aside from the uncovered and depreciated paper; China, \$3.33; the Central American States, \$3.66; while Germany has \$17.50 per capita; Great Britain, \$30.78 per capita; United States, \$22.57 per capita; Netherlands, \$24.35 per capita, and France, \$35.77 per capita. "Monometallism" has indeed "locked fast the prosperity of an industrial people in the paralysis of hard times" wherever it has been established by the process proposed by this platform, viz, the unlimited coinage of both metals at a ratio widely differing from the relative commercial value of the two metals.

"Gold monometallism is a British policy, and has brought other nations into financial servitude to London."

It is also a German policy, a French policy, a Belgian policy, an Austro-Hungarian policy, a Netherland policy, a Danish policy, a Russian policy, a Chilean policy, a Peruvian policy, a Japanese policy, and, in fact, the policy of the most enlightened and progressive nations the world over; and if the United States were to abandon her present system and undertake a greatly enlarged use of silver without the cooperation of other nations, she would abandon the company of the most intelligent, enlightened, and prosperous nations of the world and join the ranks of the weakest and least intelligent nations, all of which are hastening to adopt the gold standard as rapidly as possible.

"It is not only un-American but anti-American, and it can be fastened on the United States only by the stifling of that spirit and love of liberty which proclaimed our political independence in 1776 and won it in the war of the Revolution."

The "spirit and love of liberty which proclaimed our independence in 1776," and which is still strong in the minds of the people of the United States, is not in favor of reducing the citizens of this country to the level of poverty, degradation, ignorance, and practical enslavement which characterizes the condition of the masses in the few remaining silver-standard countries of the world to-day. The only attempt to "stifle the spirit and love of liberty" ever made in the United States began in 1891 by the very party and the very leaders who are now proposing to degrade the working people of this country to a level of those of the least intelligent and prosperous on the face of the earth.

"We demand the free and unlimited coinage of both silver and gold at the present legal ratio of 16 to 1 without waiting for the aid or consent of any other nation."

A policy which all the intelligent nations of the world have abandoned since the enormous production of silver has brought it to a ratio of 94 to 1

with gold and the divergence still increasing. The product of the silver mines of the world since 1873 is practically one-half as much as that produced from the mines of the world in three hundred years preceding that date, as shown by the highest official authorities.

"We demand that the standard silver dollar shall be a full legal tender equally with gold for all debts, public and private."

It is now a full legal tender for all debts, public and private," except where such men as WILLIAM M. STEWART, JOHN P. JONES, Arthur Sewall, John F. Algeid, John R. McLean, and other silver leaders deprive it of its full legal tender value by making their contracts and loans and rents and interest payable by the poor in gold only. Every one of the 450,000,000 standard silver dollars which we now have is a full legal tender for all debts, public and private, and the party which asserts even by implication that this is not the fact intends either to discredit those dollars or to deceive the people, or both.

"We favor such legislation as will prevent for the future the demonetization of any kind of legal-tender money by private contract."

An excellent plan; but the fact that the leaders of the party proposing it now refuse to follow that plan in their private affairs casts a suspicion upon their good faith in this public assertion.

"We are opposed to the policy and practice of surrendering to the holders of the obligations of the United States the option reserved by law to the Government of redeeming such obligations in either silver coin or gold coin."

Every holder of obligations of the United States can receive his pay for them in silver if he desire or in gold if he desire. If the Government were to insist on paying in one metal to the exclusion of the other, it would immediately discredit its obligations and at the same time injure the standing of a large share of the money which it has itself issued and promised, by implication or in words, to keep as good as the best. While these obligations call for payment in "coin," that term, when the acts authorizing the bonds were passed, related only to that which was the equivalent to gold in value and purchasing power, and to attempt to take advantage of the fact that the metal of which a part of this coin is now made has depreciated in value and force coins of that particular class upon the holders of those obligations would be dishonest, and would lay the Government liable, as it does those who propose it, to the charge of taking advantage of a technicality to do a dishonest and treacherous act. It would bring upon the Government of the United States, as it does upon the men who make it, the contempt and condemnation of honest men the world over.

"We are opposed to the issuing of interest-bearing bonds of the United States in time of peace," etc.

So are we all of us, and but for the misfortune that the Government of the United States was placed under the control of the Democratic party in 1892 there would have been no necessity for issuing bonds "in time of peace." It is something new, however, to announce a general opposition to "issuing bonds in time of peace," as this has frequently happened with Democratic control of the Government, beginning with Jefferson and ending under Buchanan and Cleveland.

Congress alone has the power to coin and issue money, and President Jackson declared that this power could not be delegated to corporations or individuals. We therefore denounce the issuance of notes intended to circulate as money by national banks as in derogation of the Constitution, and demand that all paper which is made a legal tender for public and private debts or which is receivable for duties to the United States shall be issued by the Government of the United States and shall be redeemable in coin."

This means that all the paper money of the country shall be issued by the Government, and this must be either actual "flat money" or must be sustained by keeping in the Treasury an enormous metallic reserve, much larger than the one which now exists, and which causes so much dissatisfaction to the Democracy and their flat associates of Populistic and socialistic tendencies.

"In support of these principles we invite the cooperation of all men who love liberty and hate corruption, oppression, and tyranny."

A combination of high-sounding words, intended only to mislead and inflame unthinking people, and coming with poor taste from a party whose entire record up to the time of its removal from power in 1891 was directed against the "love of liberty" and in favor of "oppression and tyranny."

"We hereby declare all trusts and monopolies hostile and dangerous to the people's interests . . . and demand a vigorous enforcement of all antitrust laws," etc.

All of which sounds well. But the people are naturally suspicious of such declarations from a party which neglected during its four years of power to enforce the existing antitrust laws and which framed its tariff law in the interests of the greatest trust of the land, excepting the single one which it is now attempting to place in control of the nation, the silver trust.

"We demand the immediate recognition of the belligerent rights of the Republic of Cuba," etc.

Which it is generally conceded would be of little practical value to the Cubans and would probably destroy the opportunity of bringing about, through the peaceful and proper methods of diplomacy, the results for which the people of that island are now struggling.

## The Tariff.

## SPEECH

OF

HON. S. T. BAIRD,

OF LOUISIANA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. BAIRD said:

Mr. SPEAKER: Before entering upon a discussion of the pending measure, which has been called by its author "A bill to provide revenue for the Government and to encourage the industries of the United States," I desire to call attention to the indecent haste which has characterized the action of the majority in forcing the passage of this bill through this branch of the National Legislature.

Although it is the most important bill which this Congress will be called upon to consider, it passed this House in the first instance

without allowing a proper time for deliberation and consideration by the members.

The Ways and Means Committee considered this bill only four days, and reported it back to the House with the recommendation that it do pass. The Democratic minority were not even accorded the opportunity of considering this measure or even preparing a substitute, or presenting amendments to its most obnoxious features. After it had been reported to the House, a gag rule was adopted by the majority, and discussion of the bill was limited to nine days; and it is a fact that this bill was passed by the House of Representatives before one-tenth of the bill had been read by paragraphs, and no amendment was allowed to be offered excepting those prepared and indorsed by the Republican members of the Ways and Means Committee.

I contend that such haste and inconsiderate action on the part of the majority is extremely unjust to those members who would like to carefully study this measure in order that they can vote intelligently.

We are prepared to meet the champions of the Republican party in the arena of debate upon this and other measures and ask no favors of them, but we did desire and expected fair play.

We realize the fact that in order to raise the enormous corruption fund used by the Republican party in the last campaign promises were made to the "robber barons" of the East that if they furnished the necessary campaign funds the legislative functions of the country would be turned over to them in order that a protective tariff might be levied, out of which they could reimburse themselves.

We knew that Shylock would demand his pound of flesh, but we thought the matter would be conducted decently and in order. But the mortgage is being foreclosed in such hot haste as to bring the blush of shame to the cheek of every true patriot who values his country's honor and the welfare and happiness of his fellow-citizens.

When those gentlemen on the other side of the aisle who have shamelessly or ignorantly abandoned their rights as members of a deliberative body, contemplate their cowardly surrender of their high privileges, their consciences will lash them in after years.

We of the Democratic faith denounce the methods which you have adopted in order to force this bill through under whip and spur, and those methods are deserving of the condemnation and denunciation of every lover of constitutional liberty and freedom of legislative action.

It was charged by the minority at that time that this bill was hastily prepared and that there were many inequalities and crudities which should be corrected before it was crystallized into law. We only ask for an opportunity in this House to point out these defects and to call attention of the country to them, but we are denied that poor privilege.

Although this House has surrendered its high privileges as a deliberative body, it is a happy thing for the perpetuity of our institutions that at least one branch of the National Legislature is still a deliberative body in its fullest sense, and the charges made by the minority as to the defects of this bill have been clearly demonstrated to be correct from the fact that the Senate, after careful and deliberate examination, have added no less than 874 amendments to this measure.

But the action of the Senate in thus carefully deliberating and considering this measure has had no weight or influence upon the minds of the majority of this House.

We have asked for only two days in which to discuss the many important amendments and changes which the Senate has made in this bill, and even that short time has been denied us by the majority, and a vote is to be forced upon this important proposition after only a few hours' debate.

We have had no desire or intention to adopt any filibustering tactics or to unnecessarily obstruct the final passage of this bill. We only desire reasonable time to discuss its important features and to point out its inequalities and inequities.

This Congress was called in special session by President McKinley for the avowed purpose of passing a protective-tariff bill. The promises which were made by the Republican candidate and campaign orators of last fall to restore prosperity to the country were to be fulfilled by the passage of a law which would increase the burden of taxation without increasing the volume of our currency. It is a fact which no one will deny that there has been great distress throughout the agricultural regions of our country as well as in the industrial centers. To restore prosperity to the country, to give labor an opportunity to earn an honest wage, to set the wheels of industry in motion, is a consummation devoutly to be wished for; but we of the Democratic faith do not believe that this can be accomplished by imposing greater burdens of taxation upon the people.

The advance agent of prosperity, as you have fondly called your chosen leader, has now been piloting the ship of state since the 4th of March, and it seems to the ordinary mortal that your advance agent is a long way ahead of the show.

It was promised that upon the election of the Republican candidate the glorious sunshine of prosperity would immediately burst upon our vision, but after election it failed to materialize, and the gloom in which our country had been enveloped grew darker and denser.

Seeing that "this bird of beautiful plumage" did not return upon schedule time, it was then loudly and confidently asserted that prosperity would surely be with us as soon as the Republican President had been inaugurated and the Republican party in full control of the Government. But the 4th of March has come and gone, and many moons have waxed and waned, and still prosperity is not with us, and the industrial stagnation and depression in agricultural sections are still pronounced as ever. Distress and discontent are everywhere, and even while the sweet-toned voices of Republican orators are singing their siren songs 300,000 miners are out of work and are striking for living wages.

The last campaign was not fought upon the tariff issue. The great and paramount question discussed before the people was that of finance, and the Democratic party pledged itself to restore prosperity by returning to the constitutional money of the country.

While we are still earnest advocates of that system of bimetalism as enunciated by the Chicago convention, we are ready and willing to meet the Republican party upon the issue of the tariff which they have presented.

This tariff bill has been prepared with the purpose of encouraging a few of the favored industries of the United States, although the excuse for calling this Congress in extra session was the deficit in the finances of the Government.

The bill is prepared upon strictly protective lines, and the revenue feature, which should be the main object of all tariff legislation, is made subsidiary to the protection of certain special and favored industries.

It is charged by the chairman of the Ways and Means Committee in the majority report that the total deficiency for the four years ending June 30, 1897, will amount to over \$203,000,000. This deficiency is charged to the inadequate provisions of the Wilson bill as a revenue-producing measure, yet the two principal items of this deficiency are erroneous. It is a fact that for the fiscal year ending June 30, 1894, the expenditures of the Government exceeded the revenues by \$69,803,240, but it is certainly not candid on the part of the chairman of the Ways and Means Committee to charge this deficiency against the operation of the Wilson bill, for during this entire year the McKinley bill was upon the statute books, and this enormous deficiency occurred before the existing law had ever been put upon the statute books.

The chairman, [Mr. DINGLEY] also estimated that the deficiency for the fiscal year ending June 30, 1897, would be \$65,000,000, yet the statistics show that the real deficiency for this time amounted to only \$18,623,107.

And to see that the Government was in no immediate danger of bankruptcy, one has only to examine the report of the Secretary of the Treasury, which shows that there is an available cash balance on hand above the one hundred million-dollar gold reserve of more than \$130,000,000.

From these facts any intelligent man will see that the avowed purpose of the Republican party was not a true one, and the real motive which has actuated the majority in the passage of this bill has been to protect certain favored industries by giving them the right to prey upon the people under the system of taxation which was inaugurated by the Republican party and sought to be revived by the provisions of the pending bill.

Even admitting that there is a large deficit, has it ever dawned upon the minds of the majority that there are two different ways of meeting and curing this evil?

One is by increasing revenue; the other, and the better way, is to decrease expenses.

You can not increase the revenues of the Government except by imposing additional burdens of taxation upon the people; but you can reduce expenditures without crippling the public service, and you should make an honest and faithful effort to do so.

But if any of us had indulged in the vain hope that this Congress would make any efforts to curtail expenses, that expectation was most assuredly demolished by the action of this House when, after less than three hours' discussion, the following bills were passed without ever having been referred to or acted upon by any committee:

Contingent expenses Indian Department .....	\$7, 670, 220. 89
Deficiency bill .....	8, 166, 214. 74
Agricultural bill .....	3, 182, 902. 00
Sundry civil bill .....	53, 147, 551. 58

Total .....	72, 166, 889. 21
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This reckless and criminal expenditure of the people's money has demonstrated beyond a doubt that this Congress will not attempt to reduce the expenditures of the Government so that the



present revenue could be ample to meet all legitimate demands upon it.

The Republican party has looked upon the prostrate condition of the country, and has promised to restore prosperity if intrusted with power, and this bill is presented as a panacea for the ills which now afflict the body politic.

The McKinley law, which has been denounced by the Democratic party as a culminating atrocity of class legislation, has been overshadowed in its injustice and inequalities by the present bill.

The average rate of taxation under the McKinley law was 49.58 per cent, whereas the rate of taxation under the proposed bill is 57.03 per cent, and this enormous increase in the burden of taxation is done under the plea of restoring prosperity to the impoverished people and stricken industries of our country.

The national taxes under the McKinley law amounted to \$198,000,000, and the able and astute chairman of the Ways and Means Committee estimates that the national taxes under this bill will amount to over \$273,000,000. This enormous sum of money must be taken from the pockets of the consumers of this country, and it is impossible for the great agricultural classes of the South and the West to reap any benefit from the imposition of this taxation.

It is a fact which the protectionists can not deny that the imposition of the tariff duty increases the price of the article upon which the duty is levied by the amount of the rate imposed, and as every article which the farmers of the South and West use in planting, gathering, and harvesting their crops is placed upon the dutiable list and the cost thereof increased to him, there is nothing in this bill which can by any possibility increase the price of the commodities which he has to sell.

The farmer of the South has to pay a tax upon every implement used in the cultivation of his crop; he pays a tax upon the machinery used in preparing his crop for market, and the cotton planter pays a tax upon the bagging and the ties with which his cotton is wrapped. The same is true of the great wheat-producing class of the West, and while these burdens of taxation are placed upon the cotton planter and wheat grower, he can not participate in any of the benefits or advantages which are the incidents of a protective tariff.

How are you going to make the great wheat grower prosperous by adding to the price of everything he consumes and can not possibly by the taxing power add anything to the price of his product?

What benefit will the cotton planter derive from this bill which increases the tax upon almost every article used in the production of cotton and you can not possibly add one cent to the price of his product?

What industries are you seeking to encourage by the operation of this bill?

Certainly not the interests of the agriculturists, who compose the backbone and the muscle and a large part of the brain of the Republic.

No. You intend to encourage and protect the interests of the Eastern manufacturers and the iron trusts of Pennsylvania and Ohio at the expense of the great agricultural interests of the country, and the gigantic sugar trust has more influence in shaping legislation than the people have.

You can not restore prosperity by increased taxation. You can enrich a few at the expense of many, but you must do so by a system of legalized robbery which enables a favored few to prey upon the masses, who have been rendered powerless by the operation of your outrageous system of a robber tariff.

The people have demanded bread, and you will give them a stone; and for meat you will give them a serpent.

Do not pass this bill under the pretext that you are doing so in the interest of the great body of the American people.

Be candid and honest and say to the world that your party has contracted a debt with the trusts and corporations and combines of the country and that you are going to discharge these obligations at the expense of the people.

In return for the substantial aid which you received from these sources in the last campaign you are to give them further and greater opportunity to plunder and pillage the people. You have not the manhood and courage to proclaim this truth to the people, but they will know it, and at the first opportunity which presents itself they will revenge themselves upon you for the base betrayal of their interests.

The Republican party has made the most solemn promises of restoring prosperity to the country, and the enactment of this iniquitous measure is the fulfillment of that promise.

The idea that by a perversion of the legitimate power of Congress to levy taxes the people can be made rich seems to have taken possession of the Republican party, and it is endeavoring to restore prosperity by adding to the burden of taxation.

The great question of financial reform, which was the issue upon which the last campaign was fought, has been completely ignored.

If you are honest and earnest in your desire to restore prosperity to our people, why not open our mints to the free coinage of both our precious metals? Why do you not endeavor to give the people an opportunity to obtain sufficient money to pay the taxes with which they are already burdened, rather than to add to that burden and deny them any increase in the volume of the money of our country?

You will not do this; we do not expect you to do it. You are content to leave the great financial interests of your country in the hands of the bankers, and you are making indecent haste to deliver the taxing power into the hands of the favored few.

The people of this country will realize the fact that this measure is not designed to promote the welfare of the great majority of the masses. It is class legislation run mad. The iron industry is protected, the lumber industry is protected, the sugar trust is taken care of, and the great manufacturers who have contributed so liberally to the Republican campaign fund receive abundant protection at the hands of the majority of this House. But the great agricultural interests of our country, the wheat of the West and the cotton of the South, will receive no benefit from the passage of this bill.

They are not only left without any provision for their benefit, but the increase of taxation, direct and indirect, which is contemplated by this measure, will add to the burdens which they already bear.

No measure looking to the betterment of our financial system has or will be considered by the Republicans in this Chamber.

The party having as its chief adherents the banking influence and the great money corporations of this country and England will attempt in no measure to change the existing currency laws without the consent of this oligarchy.

The gold standard must be preserved if the support of these institutions is to be retained; and when the Republican party loses these elements of strength, it is bound to go down in defeat before an outraged and indignant people.

It is not at all surprising with one who is familiar with the purpose and the history of the Republican party that its most strenuous efforts should be put forth to secure the passage of this bill. A party which had its birth in sectionalism and which grew to strength by keeping alive sectional animosities, and a party which has always championed the special and favored few, is only consistent when it advocates a bill of this character.

That class of statesmen who subordinate principle to expediency may excuse a vote of a Democrat for this bill, upon the false ground that in the general division of the spoils it is nothing more than right that everyone should scramble for his share.

With this school of political economy I have no sympathy whatever. But it is a matter which addresses itself to the judgment and conscience of each individual.

As for those Democrats who have voted for this bill upon the ground of expediency, I leave them to settle it with their consciences and their constituents, but I most solemnly and earnestly protest against any Democrat justifying a vote for this bill upon the specious reasoning that it embodies in a single line the real principles and policies of the Democratic party upon the question of Federal taxation.

The fundamental difference between the two great parties upon the question of taxation is not so much in the methods of levying the tax as it is in the objects for which legitimate taxation may be levied.

The Democratic party has ever held that taxation was a high and sacred power, and should be used only in the interest of the general public. From the foundation of the Government even until the present time we had battled for a system of taxes which shall fall equally upon all the people of this country.

We have held, and we now hold, that taxes should be limited to the needs of the General Government, economically and honestly administered, and when taxation was levied for any other purpose, it was unjust and unconstitutional.

Our opponents, on the other hand, have contended that the strong hand of the Government, through a false system of taxation, should lend its aid to the protected industries of the North and East, and, under the plea of protecting infant industries, the great mass of the people have ever been compelled to pay tribute, under the guise of taxation, to the favored few.

In support of the claim which I make that protection is un-Democratic and has never received the indorsement of the public, I will insert extracts from the various platforms from the foundation of the party until the present time.

From the foundation of the Democratic party it has been opposed to all restrictions upon commerce. It has strenuously opposed the idea of protection, and in no Democratic platform can anyone find justification or excuse for a vote for the pending bill.

In the early political history of our country Thomas Jefferson, who was the founder of the Democratic party and the greatest exponent of its principles, declared himself in a letter to Elbridge Gerry as being in favor of free commerce with all nations. At that

time he was Vice-President of the United States; and in 1800, when the first political convention was held for the purpose of making a Presidential nomination, Jefferson was nominated upon a platform which declared in specific terms for free commerce with all nations.

This convention was held in Philadelphia, and was composed of those members of Congress who adopted and indorsed the views of Mr. Jefferson.

At that time Mr. Jefferson and his followers were known as Republicans and their opponents were the Federalists, who were led by that great statesman, Alexander Hamilton. Upon this and other measures Mr. Jefferson was elected to the Presidency, and from that day until this no Democratic platform has contained an indorsement of protective principles.

In 1840 the Democratic platform declared that—

Justice and sound policy forbid the Federal Government to foster one branch of industry to the detriment of another, or to cherish the interest of one portion to the injury of another portion of our common country.

This plank was reaffirmed in the platform of 1844 and also in 1848.

In 1852 and 1856 the same plank was inserted, and the Democratic idea of raising revenue was exemplified by the addition of the following statement of principles, that—

No more revenue ought to be raised than is required to pay the necessary expenses of the Government and the gradual but certain extinction of the public debt.

In 1876 the Democratic platform contained the following language in reference to taxation:

Reform is necessary in the sense and modes of Federal taxation, to the end that capital may be set free from distrust and labor lightly burdened.

We denounce the present tariff levied upon nearly 4,000 articles as a masterpiece of injustice, inequality, and false pretenses.

It prohibits imports that might purchase the products of American labor. It costs the people five times more than it produces to the Treasury, obstructs the processes of production, and wastes the fruits of labor.

In 1880 the party declared unequivocally for a "tariff for revenue only."

In 1884 the party declared "that unnecessary taxation was unjust taxation," and denounced the Republican party for not having relieved the people from the crushing war taxes which were charged with having paralyzed business, crippled industry, and deprived labor of employment and just rewards.

It further declared "that all taxation must be limited to the requirements of an economical government," and the party pledged itself to a reduction of tariff taxation upon these lines.

In 1888 the platform denounced the unjust and unequal tax laws which had outlasted the necessities of the war. Repeating that "unnecessary taxation was unjust taxation," and further declared "that it is repugnant to the creed of Democracy that by such taxation the cost of the necessities of life should be unjustifiably increased to all our people."

It pointed out the demoralizing effects of a large surplus accumulated in the Treasury from taxes wrung from the people, and said that "the Democratic policy is to enforce frugality in public expense and abolish unnecessary taxation."

The Democratic platform of 1892 contained the following emphatic language upon this important subject:

We denounce Republican protection as a fraud, a robbery of the great majority of the American people for the benefit of the few.

We declare it to be a fundamental principle of the Democratic party that the Federal Government has no constitutional power to impose and collect tariff duties except for revenue only, and we demand that the collection of such taxes shall be limited to the necessities of the Government when honestly and economically administered.

The McKinley law was denounced as the "culminating atrocity of class legislation."

In 1896 the Democratic platform declared:

We hold that tariff duties shall be levied for the purpose of revenue, such duties to be so adjusted as to operate equally throughout the country and not discriminate between class or section, and that taxation should be limited by the needs of the Government honestly and economically administered.

In the face of these utterances it is passing strange that any Democrat can justify his vote for this highly protective measure upon the assumption that the protection theory is now or ever has been a policy of the Democratic party.

The Democratic party stands committed against special legislation in favor of any class.

We believe in the equality of all before the law, and he who advocates the passage of this bill, saturated and reeking as it is with inequalities and unjust burdens, abandons for the time being his fealty to the Democratic party and gives his vote and influence to the enemies of the people.

It is true that in the past those who stood high in Democratic councils have advocated the theory of protection and have combated the efforts of the Democratic party to reduce the burden of taxation and to equalize the levying of tariff duties.

Notably among these men who claimed allegiance to the Democratic party was Samuel J. Randall, upon whose memory as an upright and honest statesman I would be last to cast a slur. He

had been frequently trusted and honored by his party, but when the time came when the Democratic party must desert the principles of equal taxation and opposition to class legislation, or to depose its trusted leader, Mr. Randall suffered his first defeat at the hands of the party whose principles upon this subject he did not indorse.

Mr. Carlisle, who at that time was a champion of Democratic principles, defeated Mr. Randall for the Speakership of the Forty-eighth Congress, and the old leader was relegated to the ranks because he failed and refused to carry out the doctrines and policy of his party; and it is ever a dangerous thing for the reputation and the political future of any man, no matter how good or how great he may be, to put himself in opposition to the expressed will of the party to which he owes allegiance.

This is forcibly illustrated by the career of Mr. Carlisle himself, who for so many years was an able and faithful leader of his party; but when in 1896 he deserted the great body of the political organization to which he belonged and failed to give adherence to the principles of the party as enunciated by the Chicago convention, he was repudiated by all true Democrats in the country, and to-day there is none so poor as to do him reverence.

Let those who imitate these great men in their opposition to their party's well-defined principles take warning by the ignominious fate which overtook them in the end.

Although the question of Federal taxation is one of vast importance to the people of our country and the best efforts of our wisest statesmen should be used in the just and correct solution of this problem, the Democratic party does not consider that this is the only issue between it and the Republican party.

When the Chicago convention unfurled the banner of the regenerated and rejuvenated Democracy, it proclaimed to the world in no uncertain tones that it was dedicated to the grand purpose of restoring to the people of the United States the money of the Constitution.

It declared for the free coinage of both metals upon terms of justice and equality. It denounced the present single gold standard which has impoverished our people, crippled our commerce, and paralyzed our industries; and upon this issue the memorable battle of 1896 was fought.

As our champion we had one of the grandest and most eloquent statesmen this country has ever produced, and he engaged in what seemed to be a forlorn hope against the money power of the country.

How gallantly that battle was fought and with what anxiety the plutocracy contemplated the result is a matter of history, and although we went down in defeat, we went down with our colors flying and the honor and integrity of our party organization maintained.

This battle was but a preliminary skirmish in that great warfare for the emancipation of the masses from industrial and financial slavery. Upon the issue we presented to our opponents in the last campaign we shall ultimately triumph, for soldiers engaged in battle for truth and justice can never be dismayed by one defeat.

For freedom's battle, once begun,  
Bequeath'd by bleeding sire to son,  
Tho' baffled oft, is ever won.

### The Tariff—The Price of Wheat.

#### SPEECH

OF

HON. CHARLES H. GROSVENOR,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

The House having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States, and the question being upon agreeing to the report of the committee of conference on the disagreeing votes of the two Houses—

Mr. GROSVENOR said:

Mr. SPEAKER: We have had a great deal of talk in the House in regard to the interests of the farming community, and have been told over and over again that the fall in the price of wheat which prevailed for a number of years, since the Democratic party went into power, was caused by the demonetization of silver. We now have the remarkable fact that since the nomination of Mr. Bryan on a free-silver platform wheat has advanced, in round numbers, a little over 20 cents a bushel. During the same time silver has decreased to the lowest point ever known in the history of this country.

I shall place in the RECORD, in this connection, a statement showing how the McKinley law and the Wilson law have affected farmers as exhibited by the exports and imports of farm products,



and in that connection I will show that the more rapid the increase of silver dollars the more rapid the decline of wheat.

**WHY WHEAT FELL—A FEW FACTS FOR FARMERS—INDIA WHEAT AT 13 CENTS A BUSHEL DID IT—THERE IS A REMEDY—READ THIS AND FIND IT.**

What is the cause of the low price of wheat?  
Has the use or misuse of silver had anything to do with it?  
Let us see.

In 1871 we had \$52,000,000 in silver currency in the United States. Wheat was then worth \$1.25 per bushel.

In 1895 we had \$625,000,000 in silver currency in the United States. Wheat was then worth 50 cents a bushel.

These are official figures. The books of the Treasury Department show that we have twelve times as much silver currency now as we had in 1871. The figures of the Department of Agriculture show that the price of wheat to-day is only two-fifths of what it was in 1871.

If the quantity of silver circulation has any relation to the price of wheat, it would seem to have a bad effect rather than a good one, for wheat has steadily fallen, while the silver money in the country has steadily increased.

Do you believe this?

If not, just run your eye over the following table. It is made up of official figures from the Treasury Department as to the quantity of silver money in the country and the official figures from the Department of Agriculture as to the price of wheat.

Do you see how the silver money has increased and how the price of wheat has decreased?

Run your eye down the silver column and see how it steadily increased. Then run your eye down the column of wheat prices and see how it steadily decreased just as evenly and steadily as the silver column increased:

Year.	Silver currency in the United States.	Average price of wheat.	Year.	Silver currency in the United States.	Average price of wheat.
1871	\$52,000,000	\$1.258	1884	\$269,000,000	\$0.645
1872	55,000,000	1.241	1885	297,000,000	.771
1873	58,000,000	1.151	1886	329,000,000	.687
1874	61,000,000	.945	1887	369,000,000	.681
1875	63,000,000	1.008	1888	402,000,000	.626
1876	72,000,000	1.057	1889	437,000,000	.608
1877	90,000,000	1.084	1890	485,000,000	.838
1878	105,000,000	.777	1891	542,000,000	.839
1879	132,000,000	1.108	1892	582,000,000	.624
1880	163,000,000	.951	1893	623,000,000	.538
1881	199,000,000	1.192	1894	624,000,000	.401
1882	218,000,000	.882	1895	625,000,000	.500
1893	244,000,000	.911			

Strange, isn't it?

Now, let us apply the usual argument of the politicians and silver advocates.

If an increase of 1,100 per cent in our silver money in twenty-five years' time has been accompanied by a fall of 60 per cent in the price of wheat, at the same rate of increase in the silver supply and decrease of the value of wheat the price of wheat will go to 1 cent a bushel in twenty more years of additions to our silver currency.

It is just as logical to argue it that way as it is to try by any other means to show that the fall in the price of wheat is due to any silver legislation in regard to silver as a currency. What, then, is the cause of the fall in the price of wheat?

Simple enough, if you stop and think it out.

The price of wheat is dependent on the demand for it. If the markets of Europe are supplied with wheat produced at one-third what it costs to raise it here, is it to be expected that you will get a living price for your wheat here?

Certainly not.

Senator Peffer, of Kansas, the Populist leader, in his report on the cause of the fall in agricultural prices made to the Senate in 1894, said:

"Our home prices for wheat are largely controlled by the foreign wheat market; and that is regulated by those who supply the greater part of the demand. The effect on our wheat market is to bring down prices. \* \* \* Our strongest rival is now India, whose farmers, during the past seven years, furnished nearly one-half as much as we did of the wheat requirement of our best customer, England. \* \* \* Wages of India farm hands run from 1 to 10 cents of our money per day and wheat costs about 13 cents per bushel on the farm there."

Please read that again, slowly.

India, which only entered the wheat markets of Europe after England opened the Suez Canal and gave quick transportation from India to Liverpool, is now supplying a large share of the wheat markets of Europe, and doing it with wheat which she produces at 13 cents a bushel. The official figures show that other wheat fields of the world are now able to even drive India out of that market.

Is it any wonder that we get low prices for our wheat which goes abroad? Remember, too, that India, where labor is 10 cents a day and wheat is produced at 13 cents a bushel, is a silver-using country. Keep this fact in mind, and look back again at that table showing the steady decrease in the price of wheat while our silver coinage has been increasing.

Now, let us have a little more of Senator Peffer on the price of wheat. He is interesting. He says in the same report quoted above:

"In Kansas it appears from the report of the secretary of the state board of agriculture that it costs 50 cents to raise a bushel of wheat. \* \* \* In Pennsylvania and New York the average cost of producing a bushel of wheat is about 65 cents. \* \* \* In Illinois it costs \$10.20 to produce an acre of wheat, and the average yield since 1873 has been a little less than 14 bushels. \* \* \* Wheat in India costs but about 13 cents a bushel on the farm, 12 cents more puts it aboard ship, and 25 cents additional lands it on the wharves in Liverpool. This 50-cent wheat from India competes (in our best market, England) with wheat on American farms at an average cost of 60 cents a bushel."

Not a pleasing picture, is it?

We used to supply two-thirds of the world's wheat market. Now we supply but one-third, and do it in competition with 13-cent wheat laid down in the London markets at a cost of 50 cents a bushel, all told. Is it surprising that wheat is low?

What is the remedy?

Two things.

First. Create a home market for your wheat.

Second. Vary your production.

How are you to do this?

First. Create a home market by supporting a protective tariff, which will bring business to manufacturers and employment to idle millions, who will thus have money to spend freely for your farm products.

Second. Support the party which gave you reciprocity on farm products, protection for wool, and a bounty on sugar produced by farmers.

Under the reciprocity of the McKinley law our exports of flour, wheat, and other farm products increased steadily and enormously, because we were able to get them into foreign countries at a lower tariff rate than the grain and flour from other parts of the world had to pay for entering those countries. So we could get better prices for our grain and flour under reciprocity than other countries were getting at the same time.

Under the sugar bounty of the McKinley law beet-sugar factories were springing up throughout the Mississippi Valley and on the Pacific Coast, and there was reason to believe we should soon give to our farmers the \$100,000,000 per annum which we now send abroad for sugar.

The repeal of the McKinley tariff law caused the importation of foreign wool to increase from 55,000,000 pounds to 206,000,000 pounds in a single year, an increase of about 300 per cent. Besides this enormous increase in raw wool, the importation of manufactured wool increased from \$19,000,000 in value under the McKinley law to \$36,000,000 in value under the present or Wilson law. Under the McKinley law the importation of rags was only about 100,000 pounds, while the Wilson law in its first year brought in 14,000,000 pounds of woolen rags and shoddy from the hovels and hospitals of Europe to be worked into clothes for our people, and displacing good, clean American wool. The result of all this was a decrease in the value of the flocks from \$126,000,000 under the McKinley law to \$65,000,000 under the Wilson law.

Think what a return of McKinley principles means to the farmer:

(1) Better prices abroad for his wheat by means of reciprocity, which reduces foreign tariffs on his grain while other wheat growers of the world still pay high rates of duty in the countries to which our grain would obtain access at low rates.

(2) The distribution of \$100,000,000 a year among the farmers of the Mississippi Valley and on the Pacific Coast for the sugar which they can produce from beets, if assisted by the Republican policy, which inaugurated the beginning of the beet-sugar industry.

(3) An increase in home demand for grain and other farm products by such a protective tariff as will enable the manufacturers to start their mills and their employees to begin spending their money freely for a comfortable living.

(4) Such a protective tariff on wool and other farm products as will shut out from this country the farm products of other parts of the world.

Do you realize what the effect of the Wilson tariff was on the farmers?

Read the following table and see the enormous increase in the importation of all farm products in the first year of the Wilson law as compared with the last year of the McKinley law. Then look at the table which follows it and see the decrease in the exports of farm products which followed the destruction of reciprocity by the repeal of the McKinley law and the adoption of the Wilson law.

**THE OFFICIAL FIGURES.**

The following tables show, from official reports of the Treasury Department, the imports and exports of farm products in the last fiscal year under the McKinley law, compared with the first calendar year under the Wilson law. These two periods—the fiscal year ended June 30, 1894, and the calendar year beginning January 1, 1895—most nearly touch the date at which the change was made from the old to the new law of any annual periods covered by the official statements of the Treasury Department. The fiscal year 1894 closed two months before the end of the operations of the McKinley law, and the calendar year 1895 began four months after the Wilson law had begun its work. Each year's figures may therefore be assumed to present a fairly normal picture of the workings of the two laws, and thus to give for the first time since the enactment of the Wilson law an absolutely accurate official comparison of their operations as affecting the great class of citizens of the United States dependent on agriculture.

**Imports of farm products.**

	McKinley law, fiscal year 1894.	Wilson law, calendar year 1895.
Tobacco	\$11,001,796	\$15,235,739
Wines	6,729,425	7,222,102
Wool	6,107,438	33,770,159
Leather	4,508,330	7,745,092
Cotton (unmanufactured)	3,010,205	5,171,000
Rice	2,464,226	2,955,329
Animals	2,411,066	3,365,123
Seeds	2,385,695	4,650,630
Breadstuffs (all)	1,981,317	2,896,736
Provisions (all)	1,797,847	2,106,150
Flax (unmanufactured)	1,320,845	2,230,939
Cheese	1,247,168	1,471,091
Hay	761,937	2,191,635
Wheat	761,177	1,121,789
Feathers	729,692	3,063,626
Hops	484,415	547,045
Barley	358,744	591,137
Hemp	239,918	1,212,243
Eggs	190,536	219,459

**Exports of farm products.**

	\$210,860,288	\$189,800,645
Cotton	106,774,558	125,094,486
Breadstuffs (all)	145,262,273	132,456,843
Provisions (all)	90,271,760	50,292,896
Flour	50,470,041	40,898,547
Wheat	40,689,721	37,548,753
Lard	38,398,357	37,411,944
Bacon	35,098,180	35,791,014
Animals (all)	35,455,092	26,897,701
Cattle	30,211,154	27,807,796
Corn	16,903,583	16,525,018
Beef	8,807,807	7,551,246
Oil cake and meal	7,841,935	1,863,894
Seeds (all)	7,180,232	3,401,117
Cheese	5,676,908	1,685,400
Distilled spirits	5,067,773	4,430,155
Pork	4,640,322	1,120,619
Clover seed		

## Exports of farm products—Continued.

	McKinley law, fiscal year 1894.	Wilson law, calendar year 1895.
Hides.....	\$3,972,487	\$2,835,947
Hops.....	3,844,194	1,745,945
Tallow.....	2,708,164	1,207,350
Flaxseed.....	2,420,284	31,076
Barley.....	2,379,714	1,485,038
Sugar and molasses.....	2,290,205	1,886,672
Oats.....	2,027,934	599,835
Vegetables.....	1,740,604	1,557,467
Hay.....	890,593	698,934
Broom corn.....	210,742	179,856
Eye.....	129,532	721

Now you know how to remedy the present unsatisfactory condition on the farm.

Go back to protection, reciprocity, encouragement of the beet-sugar industry, encouragement of the wool industry, encouragement to manufacturers, encouragement to home industries of all kinds, and thus give the home market a consuming power which it had under Republican protection. Do this and we shall again see happy homes and good prices which we had under protection.

Do not listen to the man who tells you that the price of silver makes the price of farm products.

Look up market records, turn to your own account books, and you will find that corn and oats, and hogs and cattle, the staples you have to sell, brought you as good prices in 1890 as in 1873, and the money you got would buy more of your necessities, because protection had resulted in the cheapening of all manufactured articles.

Why did you get good prices in 1890? Because under Republican protection the country was prosperous, workmen were employed at good wages, and they were able to buy what you had to sell.

The men who talked free trade to you four years ago, and whose legislation in 1894 ruined your home market, made tramps out of your best customers and sent them to soup houses instead of their own well-filled dinner pails, are afraid to come back this year and talk tariff to you.

They are responsible for the present affliction you are suffering, and in order to draw your attention away from what they have done and make you forget what happened when you trusted them before, they are now offering you the free coinage of silver as another quick remedy for the disease they themselves created.

Can the same men fool you twice in four years?

We produce in this country perhaps 450,000,000 bushels of wheat; this year probably 500,000,000 bushels of wheat. An advance of 20 cents a bushel has given to the producers of wheat in this country \$100,000,000. Do the farmers of the country desire to return to the Wilson law and Wilson rates and Wilson conditions? If so, the opportunity will be afforded them in the fall elections this year.

There is no better statement of why the farmer suffers than is contained in the speech of Major McKinley, after his nomination for President, to a delegation of farmers from Knox County, Ohio, in which he said:

It gives me very great pleasure to meet and greet the citizens of Knox County in the city of Canton and at my home. I am glad to welcome my old comrades of the Grand Army, my fellow-citizens who are engaged in agricultural industries, and my fellow-citizens of all occupations who are here assembled this morning. Your meeting demonstrates that you have a keen interest in the public questions which are now engaging the people of the United States, and that you want this year, as you have always wanted in the past, to vote for those principles and those policies which will achieve the greatest good and the highest welfare to the country.

I am glad especially to meet the farmers of Knox County, for the farmers of the United States are the most conservative force in our citizenship and in our civilization, a force that has always stood for good government, for country, for liberty, and for honesty.

## WHAT THE WILSON LAW DID.

Whatever the farmer is suffering to-day is because his competitors have increased in numbers, and because his best customers are out of work. I do not know that we can decrease the number of your competitors, but with the adoption of a true American protective policy we can set your best customers to work.

We have suffered in our foreign trade and we have suffered in our domestic trade. The farmers have suffered in their export trade and they have likewise suffered in the home market. Under the Republican tariff law of 1890 we imported in the calendar year 1890 over 111,000,000 pounds of wool, valued at over \$13,000,000.

In 1895, under the Democratic tariff law, we imported 248,000,000 pounds of wool, valued at \$31,770,000. Nearly \$20,000,000 worth more of wool was imported under the Democratic tariff law than under the Republican tariff law in 1890. The imports of woolen goods in 1894 amounted to \$16,882,000, and in 1895 to \$37,494,000. From the reports of the Department of Agriculture, at Washington, we find that there were 47,273,000 sheep in the United States in 1892, valued at \$125,000,000. On the 1st of January, 1896, there were 38,558,000 sheep in the United States, valued at \$55,000,000—a decrease of 9,000,000 in the number of sheep, and of \$70,000,000 in value.

Two million two hundred thousand dollars' worth more of shoddy was imported under the Democratic tariff law than under the Republican tariff law. In woolen goods the difference is more than \$40,000,000 in favor of the foreign manufacturer and against the domestic producer. The total loss in these three items to the American woolgrower and the wage earners in American woolen factories is more than \$62,000,000.

Is it any wonder, my fellow-citizens, that sheep husbandry is no longer profitable? So with other agricultural products. During the last seventeen months of the Republican tariff law there were imported into this country 140,000 tons of hay, and during the first seventeen months of the Democratic tariff law there were imported 363,000 tons. The Wilson law gave the foreign producers a market for 223,000 tons more than they had enjoyed in the last seventeen months under the Republican tariff law. This loss exceeds \$2,000,000.

The total wheat, rye, barley, oats, and corn crops for 1895 amounted to 3,558,000,000 bushels. The total of this product exported was 182,000,000 bushels, or a little more than 5 per cent of the total product annually. The great

bulk was consumed by your own fellow-citizens, your own natural consumers and customers. In 1891-92 we exported \$1,442,000,000 worth of agricultural products. In 1890-96, the first two years under the Democratic tariff law, we exported \$1,123,000,000 worth. We exported, therefore, \$319,000,000 worth less in the two years under the Democratic tariff law than in the two years under the Republican tariff law.

## LOW TARIFFS ALWAYS BRING HARD TIMES.

Depression in agriculture has always followed low-tariff legislation. It was so after the tariff of 1846; and it has been so under the tariff of 1894.

On December 2, 1851, President Fillmore, in his message to Congress of that date, affirming the condition of the country, and especially the effect of the tariff legislation upon the interests of the American farmer, said:

"The values of our domestic exports for the last fiscal year as compared with those of the previous year exhibit an increase of \$43,646,322. At first view this condition of our trade with foreign nations would seem to present the most flattering hope of its future prosperity. An examination of the details of our exports, however, will show that the increased value of our exports for the last fiscal year is to be found in the high price of cotton which prevailed during the last half of that year, which price has since declined about one-half. The value of our exports of breadstuffs and provisions, which it was supposed the incentive of a low tariff and large importations from abroad would have greatly augmented, has fallen from \$8,701,921 in 1847 to \$3,051,373 in 1850, and to \$1,848,653 in 1851, with a strong probability, amounting almost to a certainty, of a still further reduction in the current year. The aggregate value of rice exported during the last fiscal year, as compared with the previous year, also exhibits a decrease amounting to \$160,917, which, with a decline in the values of the exports of tobacco for the same period, made an aggregate decrease in these two articles of \$1,156,751."

The policy which dictated a low rate of duties on foreign merchandise, it was thought by those who promoted and established it, would tend to benefit the farming population of this country by increasing the demand and raising the price of agricultural products in foreign markets. The foregoing facts, however, seem to show incontestably that no such result has followed the adoption of this policy.

Then in his message a year later he said:

"The prosperity and wealth of every nation must depend upon its productive industry. The farmer is stimulated to exertion by finding a ready market for his surplus products and benefited by being able to exchange them, without loss of time or expense, for transportation, for the manufactures which his comfort or convenience requires. This is always done to the best advantage where a portion of the community in which he lives is engaged in other pursuits."

Mr. Buchanan, in his message to the Thirty-fifth Congress, speaking on the same subject, said:

"In the midst of unsurpassed plenty in all the productions and in all the elements of national wealth we find our manufactures suspended, our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want. The revenue of the Government, which is chiefly derived from duties on imports from abroad, has been greatly reduced, while the appropriations made by Congress at its last session for the current fiscal year are very large in amount."

## FREE COINAGE OF SILVER WILL BRING NO RELIEF.

This is a description of the condition of the country under the low-tariff law of 1846, and no better description could be written of the condition of the country under the tariff law of 1894. Can the farmer be helped by free coinage of silver? No, forever no, my fellow-citizens. He can not be helped, because if the nominal price of grain were to rise through an inflation of the currency, the price of everything else would rise also, and the farmer would be relatively no better off than he was before. He would not get any more real value for his grain than he gets now, and would suffer from the general demoralization which would follow the free coinage of silver. You can not help the farmer by more coinage of silver; he can only be helped by more consumers for his products. You can not help him by free trade, but, as I have shown, he can be hurt, and seriously hurt, by the free introduction of competing products into this country. Better a thousand times enlarge the markets for American products than to enlarge the mints for the silver product of the world.

You might just as well understand now that you can not add value to anything by diminishing the measure of the value with which the thing is sold or exchanged. If you can increase the value by lowering the measure of value and you want to benefit the farmer, then make the bushel smaller, the pound lighter, and declare a legal dozen less than twelve.

## A HOME MARKET IS WHAT IS NEEDED.

The home market is the best friend of the farmer. It is his best market. It is his only reliable market. It is his own natural market. He should be protected in its enjoyment by wise tariff legislation, and this home market should not be permitted to be destroyed by lessening the demand for American labor and diminishing the pay of American workmen, and thereby diminishing the demand for agricultural products.

The sugar industry should be cultivated and encouraged in the United States. Diversify the products of agriculture, and thus you will have additional employment for your land. The only way to help the farmer is to increase the demand for his farm products. This can be done by preserving a home market to him and by extending our markets, which we did in 1892, 1893, and 1894, under the reciprocity provisions of the tariff law of 1890. The best consumers for the American farmer are these at home. They consume eighteen times as much of the products of the American farm as the foreign consumer. Their earning power has been cut off in the past two years so that it makes our home market less desirable.

Prosperity of manufactures is inseparable from the prosperity of agriculture. Set all our wheels in motion, set all our spindles whirling, set all our men at work on full time, start up the idle workshops of the country, bring back confidence and business, and the farmer will at once feel the influence of the greater demand for his products in the better prices he would receive. He wants to be protected by wise tariff legislation from the competition of the other side; and then he wants the mowers and mills and factories of his own country humming with busy industry, employing well-paid workmen, who can buy and consume his products. When he has got consumers he wants his pay for what he sells in such unquestioned coin that he will know it is good, not only to-day, but will be certain to be good every day of the year and in all countries of the world.

## MILLS, NOT MINTS, WILL FURNISH CUSTOMERS.

Free silver will not cure overproduction nor underconsumption. Free silver will not remove the competition of Russia, India, and the Argentine Republic. This competition would remain if you would coin all the silver of the world. Free silver will not increase the demand for your wheat or make a single new consumer. You don't get consumers through the mints. You get them through the factories. You will not get them by increasing the circulation of money in the United States. You will only get them by increasing the manufacturing establishments in the United States. "Plant the factory



by the farm," said Jackson; and that is as wise now, and as applicable now, as when the hero of New Orleans said it years ago. The best thing now is for the farmer to have a factory for his neighbor. It would be better to have a factory alongside of you than to have another farm alongside of you.

I have no fear of the farmers—the most conservative, the most considerate, and the most sturdy of our splendid civilization. They are not easily misled. They have no aim in politics but an honest one. In 1862, when free trade was the battle cry of our opponents, it was said then that the farmers would follow this heresy, but it was not so. It was the cities which followed the free-trade heresy in this country. The country voted for protection, while the great cities did not. So this year they will vote against free trade and free silver; they will vote for a home market and for a dollar as good as gold in every mart and market of the world.

I thank you, my fellow-citizens, for this call. It is a great compliment to have you travel this long distance to bring me messages of good will and congratulations. Old Knox County, in every contest in which I have been engaged, has been firmly and unflinchingly my friend, and it will give me sincere pleasure to meet you all personally.

### The Tariff.

### REMARKS

OF

HON. DANIEL ERMENTROUT,

OF PENNSYLVANIA.

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. ERMENTROUT said:

Mr. SPEAKER: It goes without saying, sir, that at no time since the assembling of this present extraordinary session of the Fifty-fifth Congress was there ever a moment that the minority party of this House could have or did have any opportunity to influence or shape in any way the far-reaching legislation about to be consummated by the passage of the Dingley bill. This, too, though the minority are the duly accredited representatives of nearly 6,500,000 American voters. All our arguments, therefore, must be made by way of appeal to those same voters, who will review the action of this session and pass final judgment on it at the polls.

No proposition, no argument, no reason, no fact presented by the minority, even though upon petitions and memorials innumerable from the people, availed to ingraft a single amendment proposed by this side of the House.

PREPARED BY A DYING COMMITTEE OF A FORMER CONGRESS.

Prepared also by a body whose life would soon end, and preordained for passage by a body not yet called into existence.

If the people have any respect for their institutions, they will remember this notable event in American legislative history; they will remember that the representatives of one political party, a portion of the Committee on Ways and Means in one Congress—the Fifty-fourth—undertook to frame, and did frame, in the expiring hours of that Congress this highly drastic measure, thus anticipating an extra session, which in due time was called; that immediately upon the assembling of this new body, composed in large measure of new men, without opportunity given to the members of that committee representing the minority in Congress, for examination, discussion, or amendment, this bill was reported to this body, together with an ironclad rule by means of which the representatives of nearly half the voters of the country were rendered powerless to influence legislation affecting all their interests, and that this legislation so concocted was forced to successful consummation almost without dotting an "i" or crossing a "t."

#### TYRANNICAL METHODS OF HOUSE MANAGERS.

In years to come, when the impartial historian shall come to analyze and write the annals of this extraordinary session of the Fifty-fifth Congress, it does not require the gift of prophecy to foretell that he will declare that this result was accomplished by methods as tyrannical and as arbitrary as ever characterized the administration of the most despotic government on the face of the earth. When we reflect that the 150 Representatives constituting the minority came fresh from the people, and are supposed to have the best information as to their wishes, these methods rise to the grade of an insult to half the nation.

The further reflection that the people are entitled to the best thought of their representatives on all public measures properly applied in the regular and orderly manner, through the regular and ordinary means established by our Constitution and law and parliamentary rules, the regular committees, they amount substantially to a denial of representation. The criticism has been made that the legislatures of this Republic would finally end in being what those of ancient Rome became—instruments to register the decrees of some single tyrant. We have not advanced so far as that as yet, but have we not fallen even lower?

It might be very respectable, if not beneficial, to register the decrees of some large-minded, able, intelligent despot. But with us it is different. Some few people who, by reason of their large wealth and by reason of their association with large corporate enterprises, trusts, and monopolies, assume to control the whole country meet in the director's room, or in the back room of some great banking house, and take measures for the direction of Government. This bill, or its principal schedules, was thus formulated. Then the Committee on Rules stepped in and the country wakes up to find the work of the trusts formulated into law.

I challenge contradiction of the statement that as far as this House is concerned the passage of this bill merely registers the will and orders of a score or so of gentlemen in and out of Congress. No amendment except such as was dictated and sanctioned by them was allowed, and the bill as a whole was swallowed by the other side, without more than twelve pages having been considered, without protest and without attempting to understand its provisions. The majority of the Committee on Rules deliberately prepared a rule to fit each and every emergency, looking always to immediate action, throttling debate and amendment, and the House simply registered its decrees.

It is only the soldier who goes into battle knowing that certain defeat is impending who can ever sufficiently appreciate the devotion of the gallant minority in this Congress, who have so vainly and often tried to make an impression on the Republican scheme. It is a disheartening, a humiliating thing to know in advance that any argument or reason you may offer on behalf of those whom you represent will receive no consideration from those to whom they are addressed, and yet be compelled by a sense of duty to offer them.

My loyal and earnest brethren must console themselves with the reflection that they have done their whole duty and with a further knowledge that this House under its present administration has added one more parliamentary precedent to those heretofore furnished which may prove valuable and useful in future contests. Our distinguished and able Speaker taught you how to count a quorum with members sitting silent and in their seats. He has shown us how a majority of the Committee on Rules, backed by a quorum of one political party, may be practically the whole House. On some former occasions he has taught us how to compel legislation, and on others how to defer it—for instance, the Union Pacific, bankruptcy, currency, and Cuba.

#### OUR CRUEL NEGLECT OF CUBA.

Just a word about Cuba. What is that gallant nation asking? She is not asking us to fight for her, to go to war with Spain for her, to loan her money, or to in any manner intervene on her behalf. She is simply asking for recognition as a belligerent. That does not mean war with Spain at all. Recognition of belligerency would do for the Cubans just this, it would enable them to buy supplies in this country. And what could she lawfully buy? Why, everything except guns and munitions, for under our treaty with Spain only guns and munitions are contraband. Long ago, realizing that in case of war in Cuba she could not provide sufficient supplies of food and other necessities without access to our market, Spain agreed with us by treaty that arms and ammunition alone should be contraband. So that, practically, Cuba, fighting for freedom, only asks the right to stand up at the same counter in the markets of the United States by the side of her cruel Spanish oppressor and buy food, provisions, clothing, and medical supplies for her sick, her wounded, her starving, and for her poor, ragged, wretched, suffering men, women, and children. Weyler, the butcher, now has this right. Recognition of belligerent rights would give it to Gomez, the father of his country.

Such, Mr. Speaker, are my views, and I believe they are shared by nine-tenths of the people of the country. By what influence, through whose instrumentality, has this House been prevented from giving voice to the will of the American people in this matter?

We repeat, such methods are revolutionary and contrary to and subversive of the genius and spirit of our institutions. Should they be adopted also by the Senate, it is easy to perceive that our Congress, under the forms of popular government, would become as arbitrary, as tyrannical, and as despotic as any deliberative body could be under monarchical forms or absolutism.

However much those profiting by them may first delight in their fruits, eventually such methods will neither stand the test of reason nor receive the approval of thoughtful minds. It is a dangerous precedent, one that may result, and has in this instance resulted, in a most pronounced absolutism in relation to the action of a deliberative body on a purely economic question in this proud Republic; a precedent which should not be invoked save in the presence of foreign invasion or armed treason. Amid the clash of arms the laws are silent; the security of the people becomes the supreme law.

#### TARIFF LEGISLATION UNNECESSARY.

Was there pressing demand for tariff legislation? The events of the campaign of 1896 and the issues then discussed, fresh in the

minds of all, answer the question. The world knows that tariff was overshadowed by the currency question. Tariff was relegated to the background. The very mention of tariff sent cold shivers down the backs of Republican managers. Time and again tariff orators were called off and repeated warning was sent to Canton.

Many Republican orators of high standing announced that no disturbance of tariff legislation was contemplated, that no general tariff upheaval was necessary. Thus the fears of a large section of the Republican party who no longer believe in excessive duties were laid to sleep, and thus were also hypnotized those revenue reformers who, headed by the great free-wool advocate, the late President, went over to the camp of the enemy. This latter body of patriots hugged the sweet delusion to their souls that the tariff agitation was passed, and, encouraged by the declaration of the Republican managers, they proclaimed their belief in this delusion. They deserted the good old Democratic party that had nourished them into prominence and position these many years to save, as they said, true Democracy and the honor of the country. They left old friends for new.

Cajoled by the promises, blarneyed by the persuasion, abject before the influence of the gold standard, they handed the Government over to their and our ancient enemy. How rude must be their awakening! How shocked, how horrified, must be the late President now that he finds that the first act of the successor for whom all gold idolaters labored so zealously was to proceed to overturn the chief monument on which rested our late President's chief fame as a tariff reformer, to wit, free wool. His plight reminds us of the fabled Midas, whose worship of gold ultimately culminated in the decoration of asses' ears.

Not all the degrees which all the great universities of the world may shower upon his head will ever hide those well-deserved appendages. Not all the holes, however deep, that well-merited oblivion may dig will ever silence the whisper that will go resounding through all times, "King Midas hath asses' ears." The modern Midas surpasses the ancient in pitifulness of aspect. He exhibits the superadded ornament of "wool pulled over his eyes." Truly a humiliating spectacle; but, alas, to such wretched level does the worship of the "communism of pelf" degrade its miserable disciples!

But was there anything in the necessities of the nation for the purposes for which this extra session was called? Our friends say, "Yes; there was a deficit." As to this word "deficit," whatever the scientific meaning of the term may be, to the average man it means inability to pay his debts, dead loss, insolvency, ruin. As applied to our Government, it means that the daily, monthly, or yearly expenditures exceed its revenues. When the average man of means finds this to be the case, while he may give him some concern, he does not at once root up things and turn everything topsy-turvy, but falls back upon his accumulations. He allows something to time and natural causes, which sooner or later frequently bring relief. It is only when that fails that he begins to modify his plans.

In the present case, while it is true that, owing to the decision of the Supreme Court on the constitutionality of the income-tax clause of the Wilson bill, the Government was deprived of \$30,000,000 revenue, yet notwithstanding that fact there was in March, 1897, in the Treasury a cash balance of exceeding \$150,000,000 (over and above the \$100,000,000 gold reserve). This money remains there available for the uses of the Government.

We can see a stronger reason in the case of a private individual, when his expenditures exceed his income, at once to endeavor to meet the deficiency by imposing more burden on those from whom he derives his revenues, by lowering the wages of those he employs, by lessening his expenses, or, at the last, by developing additional sources of income. This a private individual would do, because he is mortal; and there comes a time to us all when our escapes, if we have any, must be adjusted, and a natural instinct to provide for those dependent on us would be likely to prompt speedy action.

But the Government is immortal—at least we hope so—and while it should be provident for the future, yet no government should wantonly change its system or unnecessarily add to the burdens of the people by resorting to extraordinary measures so long as it is possible to get along without so doing. The money in the Treasury is the people's money, and there would have been and is enough there over and above the gold reserve to meet the necessary expenditures of the Government economically administered until the meeting of the regular session. On June 30, 1897, the net cash balance in the Treasury was \$230,113,812.87, or \$130,113,812.87 over and above the gold reserve. No one can justly contend, with this knowledge before him, that there was any public necessity for this extra session.

If, however, it was necessary to meet the alleged deficit, why was it necessary, setting aside the more important question on which the last campaign hinged, to undertake so radical a revision of the entire tariff system? A few slight changes would have met the difficulty.

We must note here that little or no attention has been given in the direction of lessening expenditures. Back in 1873 there was also a serious falling off of the revenue. The remedy then applied was cutting down expenditures. No effort whatever of this nature has been attempted. We submit also that when an administration looks around to raise revenue it should make taxation as little burdensome as possible. Especially should it be careful to discriminate as to persons engaged in unprosperous pursuits. The burden ought not to be laid on the farmer, nor the manufacturer, nor the merchant, for they have not been prospering.

The reason is obvious. The farmer has no cash to carry to the merchants for goods; the merchant in his turn can not give orders to the manufacturer, and so the wheels of industry do not hum. But how about the other industry, the industry in watered stocks and kindred occupations that have been prosperous? Our lawmakers tell us that a tax on these present insurmountable difficulties in their collection. But the lands, tenements, and hereditaments of the country—property that is visible and can not be concealed—are being rapidly confiscated, while these occupations and transactions are making millions in the twinkling of an eye, and the millions thus made skip and escape their just share of the common burdens. This is radically wrong. It can not be justified.

#### THE CONSEQUENCES OF GOVERNMENT BY THE TRUSTS.

The President in his message says that he is not one of those who regards tariff legislation as detrimental or hurtful to business. This is not the commonly received doctrine. It is not the doctrine he has proclaimed on some other occasions, nor is it borne out by the facts. Everyone knows that from the very instant that it was announced that he would call an extra session of Congress to revise the tariff—from that very instant extreme caution pervaded the whole business community, paralyzed its efforts and energies. In fact, it held up the country. It deeply affected the conditions of trade. Tariff agitation must and always will.

We must not forget likewise the large expense always incident to the assembling of Congress. The House has been in session, as a rule, since the 31st day of March two or three hours every week. Not for business, and yet important matters before mentioned have urgently needed attention. Inasmuch as the session was called, these might have been profitably discussed and investigated. The omnipotent power controlling legislation willed otherwise. The question again recurs, Why this session? Was there some covert understanding had previously to the election of 1896 "with others" which controlled the situation and forced the President to bring on the country the hardships which have already ensued and which are likely to continue.

When you ascertain who the chief beneficiaries of this legislation are, the question is answered. The stock board and the millions made by the sugar trusts of New York while the bill was in the throes of conference tell the tale. A word about this conference, this celebrated conference. It makes one smile to recall the dramatic setting thrown around it. If it had been the last day, it could not have been more impressive. The conferees worked day and night. Even the Sabbath was not sacred. The affair was enveloped in the profoundest secrecy. From time to time word was given out that the Senate and House conferees were very far apart—their differences almost irreconcilable. Finally it transpired that a battle royal was on between the House and Senate conferees on sugar—on the differential.

The "friends of the bill" in the House became excited and flew to the rescue. One of their number, the recognized autocrat of the House, labored to put backbone into "our conferees"—the great bulwark of the House. The right to originate revenue measures was to be preserved to the House. "Stand firm," they said, "we will not accept the Senate rates on sugar. The House rate must prevail." And when this battle of the giants was over, behold what a trifle was at stake! The only matter of difference was a tiny fraction of the differential. It was a victory over the sugar trust, they said; but somehow, when the result was announced, sugar stock moved up 10 cents, and the sugar trust pocketed \$8,000,000. Truly Brother DINGLEY was more than right when he said that delay in the passage of the bill was costing the people \$100,000 daily. From this one example learn all. The trusts formulated this bill, and of course the sugar trust was the most powerful influence and secured the largest share of the swag. It was aided, abetted, and assisted by numerous other grabs and grabbers, large and small, all built and based on greed and grasp, with no regard to the comfort, happiness, and well-being of the great body of the people and indifferent to the needs of the Treasury.

#### TARIFF LEGISLATION IN GENERAL.

It is not my purpose to go over in detail the provisions of the bill, nor to discuss the true principles of tariff legislation. It is a world-wide and never-ending theme. This bill proceeds upon no consistent principle or reason whatever. It was to have been a scientific bill and an ideal revenue measure, something stable and lasting. It reminds me of the remark once made by a very eminent Republican, who was asked what reasons he could give for



voting for a certain measure then pending. His reply was: "Vote as you like, and seek the reason afterwards."

A result already flowing from the anticipation of this legislation has been to compel persons engaged in many occupations depending on foreign importations to squeeze and strain and load themselves with obligations which they would not otherwise have incurred to stock up with raw material and goods in order to avoid paying the enhanced price. The discount list of the banks and the heavy returns for duty on importation prove the fact. Two motives compelled these results. The large capitalists saw a heavy profit on goods imported before the imposition of a higher duty and the sale of the same goods after its imposition. The small dealer, between the upper and nether millstones, saw that he must either strain his credit as a borrower to the utmost to stock up or be at the mercy of the larger dealer afterwards.

We are advised that on most commodities prices have already advanced. So that, after business has been held up by the proposal of this unnecessary legislation and after its natural order and condition have been interfered with, changed, and disturbed by its now certain consummation, a new order now follows. The next likely result will be that heavy holders of commodities will not bother about the market till the smaller holdings are consumed. Then these in their turn must pay such prices as the heavy holders may exact under the higher duty or go under. Or it may be, as has happened before under similar conditions, large numbers of dealers, not being able to hold their commodities, and being forced to realize immediately in order to meet their obligations, may be compelled to let go and sacrifice their products. This means a glutted market in flat times at unprofitable and ruinous prices. Unwise laws thus always carry with them their own punishment.

#### A PLEA FOR THE TAXPAYER.

The people suffer all the same. But in all this legislation, in which it is easy to figure out large profits for certain classes and a few occupations, what of the men upon whom the burden of the country rests, and upon whom more largely than any other class, or than all other classes together, the welfare and real prosperity of the country depend? I mean the workingmen and the farming class. What is there in this bill for them? Well, there is the duty on wool, on hides, on potatoes and grain, and various agricultural products, including the protection to beet sugar.

The number of farmers who raise a few sheep compared with the owners of large herds is very small indeed. The ordinary farmer as we know him depends very little on his sheep as wool bearers. Whatever benefit there may be in the duty on wool is of little or no account. It is more than counterbalanced by the enhanced price of the garments and household goods which he must buy for himself and those dependent upon him.

The duty of 25 cents a bushel on potatoes does not help the farmer except perhaps on the border line. The fact is, that in recent years, in many places, potatoes have been almost given away. Sometimes they could not even be given away. They constitute a large and always satisfactory article of food. In times of scarcity or potato famine, when their price would be naturally high, it would be a great hardship on the working classes to put a duty of 25 cents a bushel on the price of their potatoes.

In all seriousness, what proportion does the beet and maple sugar bear to cane? It is given out as 1 to 50. Therefore, in order to give the beet and maple sugar producer \$1 we must pay the sugar trust \$50, and in doing so we give that shameful trust a monopoly. We make it the arbiter of the price of sugar to the consumer. Truly, as Claus Spreckels was reported to have said, "the beet-sugar industry is only a side show of the sugar trust."

And there is the duty on hides. The importation of hides free of duty unquestionably built up a leather and shoe industry in this country and has enabled it to export millions of this product. There is no benefit in it for the farmer or workingman. Whatever benefit might be in it is more than four times swallowed up by the enhanced price of harness, shoes, and other manufactures of leather which they must buy. The great packers will pocket the benefits of the tax on hides, as the sugar trust will pocket the profits of the tariff on sugar.

Again, in order to save the foreign trade, as they say, they have allowed a rebate on all hides imported which go out as manufactured leather equal to the duty on hides. This is rubbing it in. It results in our own countrymen paying the enhanced price of the manufactured article, while it is made cheaper to the foreigner, or the difference goes into the pockets of the manufacturer. It is robbing Peter to pay Paul. Charity should begin at home. And what becomes of the revenue, which revenue, the title of the bill says, it is intended to provide?

How ridiculous the denunciations of free trade with which our opponents are accustomed to treat us in the face of the result, which brings no revenue to the Government and favors the alien or the manufacturer at the expense of our own citizens. This applies to every article on which there is a rebate or which comes within the purview of the provisions of the bill relating to reciprocity. No wonder that the farmers of the country, seeing

that they are the main recipients not of the Government's bounty, but of its burdens, are now asking the Government for an export bounty as their only hope of relief. If we are to proceed upon the rules laid down by the fathers of protection, the weaker industries, languishing industries, unprofitable industries should awaken our solicitude and receive our help.

Is it not true that of all our industries, agriculture has been for more than a decade the least profitable? Farm lands are being abandoned, farm buildings are going to a state of dilapidation, and the farming population is rapidly congesting in the cities. If for no other reason than because it is perishing, agriculture should be first relieved. I can see no hope of relief in this bill. Fundamentally agriculture is of the first importance. Wealth springs from the land. All other industries lean upon it for support. In peace it is the bulwark of our industrial system; in war, the pillar of the nation.

How unjust, then, for lawmakers to turn their backs upon the tiller of the soil and multiply statutes to add to the profits of classes already opulent. Without an independent, landowning farming population the perpetuation of this Republic is not possible. If we are to go on impoverishing the men who till the soil until tenant farmers take the places of the sturdy yeomanry, so long the pride and glory of this Union, we must bid farewell to the hope of perpetuating self-government among men. It is not surprising that large bodies of workingmen under present conditions are looking to the founding of separate communities as a means of keeping body and soul together, and that large bodies of starved and ragged miners are marching to the music of life and drum to demand living wages for the toil of their hands.

It is not true that the prosperity of the farmer depends solely on laws guaranteeing exorbitant profits to the manufacturer. It is true that in the long run all interests rest upon agriculture, the foundation of all genuine prosperity. And yet the farmer has been sacrificed for the benefit of the classes by whose influence the enactment of this iniquitous law is being accomplished.

Believing that this measure was uncalled for; that it will not yield the revenue claimed, if such revenue be necessary; that it will not increase our trade abroad or our prosperity at home; that it is not equal in its operations; that it will afford no relief to that class of our citizens who need it most; that it is most in the interest of greed and of the monopolies and trusts that have been and are now absorbing the great bulk of the earnings of the industrial classes, and that it is a part of the scheme to divert the people from the real malady under which the body politic is suffering and to delay the application of the proper remedy, I can not approve this bill, and have deemed it my duty to make public some of my reasons for this course.

#### The Tariff.

#### REMARKS

OF

HON. ROMULUS Z. LINNEY,  
OF NORTH CAROLINA.

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. LINNEY said:

Mr. SPEAKER: This discussion has been a one-sided affair largely. The Republicans have in a large measure refrained from speaking and allowed our Democratic brethren to do most of the talking, because we wanted to reach a vote at the earliest possible time. The most interesting speech, probably, made on the Democratic side is that of the distinguished gentleman from Texas [Mr. BAILEY]—certainly the most elaborate one. As it was a masterly effort to convince his party associates that they have been in error touching the tariff on raw materials, the speech was enjoyed by many Republicans.

It is always a source of gratification to any patriot to witness even the partial conversion of any great man from a dangerous heresy to the paths of truth. Still, while he repudiates the doctrines of his party in part, and criticises with some severity many of the most influential men of his party associates, he still sticks to some positions which I think should not be allowed to go unanswered. The leading thought of this remarkable speech is stated to be "An elementary principle of political economy," to wit: "Absolute freedom of exchange of products;" "The right and opportunity of buying and selling, and the salutary and indispensable motives to produce; and it is the consummation of folly to

teach the people of this country that their industries can be encouraged by abridging their right to exchange the products of their labor with the people of other countries."

That is the plausible statement of the elementary principle of political economy which constitutes the text of the elaborate argument of the leader of the Democracy in this House. The principle contended for possessed an infirmity which men of less intelligence than the distinguished gentleman can readily discover. The speech itself contradicts the principle stated and destroys it. The enforcement of absolute freedom of exchange with all the nations of the earth makes his pet theory of protection to the raw-material production of these United States a mere empty declaration, because as long as there are to be any custom-houses to collect any tariff duties either upon raw materials or other foreign productions, there must to that extent be restraint upon absolute freedom of exchange among the nations of the earth.

Apart from this glaring inconsistency in the gentleman's argument, it loses its supposed force by reason of the existence of another patent fallacy therein contained. Exchange of products alone does not add anything to the sum total of human production. A simple illustration will prove this almost to a mathematical certainty. Suppose the most enterprising citizen of the great State of Texas is the owner of an ox worth \$100, and the most enterprising citizen of London is the owner of 100 pairs of shoes. The Texas gentleman, having a surplus ox, exchanges this ox for the 100 pairs of shoes made in London. Has anything been added to the production of either nation? The Texas ox has gone to London and the London shoes have come to Texas.

Each nation has \$100, not in cash, but of human labor production. That is all there is in the transaction, except possibly the wants of the British subject and the little American king may have been to some extent accommodated. In this statement we have proceeded upon the idea of absolute free trade—absolute freedom of exchange. That is the Democratic idea. Exchange an ox of America for English shoes. Now, why did the Texas gentleman swap his ox for the shoes? Because English shoes are made by English vassals, English paupers, and can be made cheaper than the little American kings can make them. The English cow whose hide made the leather out of which the shoes were made was raised on grass sown in English soil and cultivated by English paupers.

This is what Democracy teaches on the tariff. The Republicans deny that absolute freedom of exchange is best for the United States. Suppose we put a tariff on shoes of 25 per cent. In that condition of affairs the muscle of the little American kings would make the shoes, sow the grass on American soil to support American cattle, and out of the hides of American cattle the American shoes would be made to suit the taste of the enterprising Texan. Hence something would be added to American production. The Texan ox and the shoes would both be the product of the labor of the American citizen.

The labor necessary to make the shoes, as well as that necessary to cultivate the grass to grow the cattle, would all be American. So where, in the face of this simple illustration, is the beauty and value of the boasted economic principle of absolute freedom of exchange among all the nations of the earth? If the laws, institutions, measure of liberty, moral conditions, and type of manhood of all nations of the earth were the same, then there would be more force in the contention for unrestricted and universal freedom of exchange.

But the average American citizen is foolish enough yet to indulge the hope that this American system is "the world's best hope." They believe, and vote in that belief, that the blood and treasure sacrificed in the Revolutionary struggle by our Revolutionary sires entitles them to a larger share of liberty, more dignity and ease and leisure than the serfs of monarchical oppression know of. The little American king is prouder when he is depositing his ballot in behalf of his own dignity and ease than in the performance of any other duty. He may make a mistake sometimes, but he is quick to correct it. This is the history of the past of these United States, and will in all probability continue for centuries to come.

Mr. Speaker, there are two systems of laws on our statute books which threaten the progress and happiness of our people more than all things else: One is the present tariff system, which is so soon to be repealed; the other is the system of civil-service laws.

I can not allow this special session to end without having my earnest protest entered against both systems. I beg indulgence of the House in giving my reasons why both evils should be destroyed. The best way to get the meaning of a statute, certainly so when there is any ambiguity in it, is to consider the old law, the alleged mischief, and the remedy. So that the best way to determine whether a statute which has been passed and tried should be repealed is to ascertain if possible whether the statute itself has not been the parent of greater mischief than that which it was intended to remedy. What, then, was the old law? It is embraced in subsection 2, Article II, of the Constitution.

He shall have power, by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur; and he shall nominate, and, by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers, and consuls, judges of the Supreme Court, and all other officers of the United States whose appointments are not herein otherwise provided for and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers as they think proper in the President alone, in the courts of law, or in the heads of Departments.

3. The President shall have power to fill up all vacancies that may happen during the recess of the Senate by granting commissions which shall expire at the end of their next session.

It will be seen that the President has the appointing power, by and with the consent of the Senate, of all officers of the United States whose appointments are not provided for in the Constitution, and which shall be established by law, but Congress may vest the appointing power of a certain class in the President alone. No civil-service commission or other aid to the President and Senate is here recognized, and no officer with a life tenure is recognized in the Constitution, except in Article III, section 1, which makes the terms of all judges therein enumerated during good behavior. The act approved January 16, 1883, does in no way limit or fix the term of office of the commissioners called the Civil Service Commissioners.

The power of the President to remove any commissioner simply amounts to giving them a life tenure, as the judges now have; the term being during good behavior, the latter may be removed by the President. The President is presumed not to remove a commissioner during his good behavior. So the effect and purpose of this statute is to give them a life-tenure office, a thing abhorred by the common people and sparingly recognized by the great Magna Charta of American liberty, the Constitution. The debates on this statute of 1883 show that grave doubts existed as to the constitutionality of the act, and the only ground upon which it can be sustained is that the exercise of the powers conferred on the commission is not an unreasonable restriction upon the constitutional right of the President to select from the great body of American citizens instead of the number who passed a successful examination.

It was contended by some of the best thinkers of Congress at the time that as the President himself participates in the preparation of the rules for carrying the act into effect, he in some way is estopped to disregard such rules as he has, with the commission, established. There is room to doubt whether this can be done by the law of the land. Suppose the commission and the President should adopt a rule that none but fat men shall be examined by the commission, or that no one who is as large and handsome as the presiding officer of the House should ever be so examined.

The people, I imagine, would have a right to complain of a palpable violation of the Constitution, the palladium of our liberties. But it has been contended that the question may never arise, because the President makes the appointment, and he may confine himself to these rules. The people can not be a party to any litigation touching it. The people through their chosen Representatives here on this floor now are parties to an investigation of all questions pertaining to its constitutionality, its propriety, its safety, and every possible view that can be taken of it.

Yes, the people have a day in court here now to have the question determined whether it is competent under the Constitution to confer life-tenure office upon any but the judicial officers of the Government; whether their servant, the President of these United States, shall be governed by rules in making appointments which exclude 90 per cent at least of the good and lawful citizens of the United States who pay taxes, bear arms in public danger, serve as jurors, occupy seats in the legislative branches of our State and National Governments and the gubernatorial chairs, and even the Presidency of the Republic; whether, I say, the President may, even of his own consent or obstinacy, or for other reasons, be governed by such rules. The people whom I have the honor to represent desire their verdict to be recorded in letters of living light against the whole civil-service humbuggery. How do I know it? I know it because I criticised it upon all the grounds I have stated before that great assemblage of 35,000 men, with ballots in their hands, in the Eighth district of North Carolina in the last campaign, and I got over 1,500 votes in the district more than the President, whom I supported.

But, Mr. Speaker, there are other reasons, in my opinion, omnipotent in their force against this law. It can be collected from the recorded thoughts of the friends of the bill in 1883 that they were looking out for something that would cause the public work to be done more efficiently and with the greatest safety to the country and with the least expense. Now, the best possible test of any theory or proposed legislation is an actual trial thereof. One actual experiment is worth all the theorizing in the world. The evidence of Captain Pratt, taken before the Senate committee of the Fifty-fifth Congress, tends to prove that a greater per cent of those who had passed a civil-service examination, and were selected under the rules adopted by the President and said commission, proved to be inefficient than those selected without this civil-service



examination. It is an irresistible inference from this evidence of Captain Pratt that the appointment of this Civil Service Commission has not answered any good purpose in aiding the President in procuring more competent or efficient officers. And why is it that such is the case?

Mr. Speaker, the question may be asked, and has its force: How can the application of this test of competing examinations injure the service? Let us see. In the first place, the best and most deserving citizens are among the most modest. They are engaged in fighting the battles of life valiantly in the industrial lines. They have seen many excellent men and men of much learning fail of success before the board of Commissioners. They shrink from this ordeal as Captain Pratt, with many years of experience, says he would now do.

There never has been but one incorruptible human tribunal, even under the very best possible conditions. That is the grand and petit juries. They are so because of the short tenure of their existence. Not more than one jury ever appeared at the same court of the same individuals. They perform the work of the term, and then dissolve and are lost in the great body of the people, never to act together in that capacity again. Should one jury be corrupted, its dissolution wipes out the leprous touch that corrupted them. Not so with this board of Civil Service Commissioners. They were impeached in 1883, and God's final dissolution of the personnel of the board or the mind of the President is the only power on this earth while this law exists that can dissolve this board, except resignation.

Now, I will concede that the individual members of the present board are excellent gentlemen, as free from the infirmities that press poor humanity as the very best and strongest American citizens. Still they are but great men. They can only be kept great and pure by shielding themselves from temptation to do wrong. This an officer with such vast powers can not do if he holds a lifetime office. The commissioner may be tempted surreptitiously to smuggle a set of questions and answers into the pocket of an incompetent applicant with the hope of obtaining compensation therefor.

Thus schoolboy lessons or superficial cramming from the books may pass for character and practical ability. The dude who stands appalled at the thought of fighting the battle of life for success and supremacy in the industrial lines, that man to whom the crooked plow and pitchfork are certain agencies of degradation and disgrace, and all who lack the elements of true manhood to make success of life in the sunshine will find here a strong temptation to make a specialty of that course of training which will fit or enable them to pass a civil-service examination. By "manuring in the hill," as the late lamented Judge Pearson used to say of the case lawyer, they may make a much better show, cut a much prettier figure before a thoroughly classic board of commissioners, than their more meritorious and deserving fellow-travelers.

Public duties, like the manly toil that makes glorious a nation's life, can not always be well performed by those possessing education and nothing else. Besides, it often happens that the best informed men, the men of deeds rather than those of pretensions, are those to whom an appointment to some important post operates as a sort of inspiration. Some of the greatest lives with which God has ever blessed this world were poor men in the humblest walks of life who would never think of appearing in the presence of the high places of science and literature—men like *Æsop* and President Lincoln—the one a slave, the other too poor to pay his expenses to Washington after the love and admiration of his fellow-citizens had called him to the Presidency.

*Æsop* was born a slave at Ammonius, in Phrygia the Greater, about the year 623 B. C. His head was long, nose short and flat, lips thick, a humpback, dark complexion, a large belly, and bow legs. His still greater infirmity was that his speech was slow and inarticulate and very obscure. He was a slave, and when *Zenas* offered to sell him to a merchant, the merchant burst into laughter, saying, "Had I not been convinced by his voice I should have taken him for a blown bladder." This merchant, however, afterwards, in Ephesus, offered three slaves for sale, *Cantor*, *Grammaticus*, and *Æsop*. In order to sell his slaves well, he dressed *Cantor* and *Grammaticus* in fine clothing; but supposing that no art could improve *Æsop*, he dressed him in sackcloth.

The eminent philosopher, *Zanthus*, accompanied by his scholars, attended this slave market. Looking at the two fine-looking slaves, he found the price marked upon *Grammaticus* to be 3,000 half pence. The philosopher said, "I will not buy a slave rated at so high a price." But finding the price of *Æsop* to be almost nothing, at the earnest solicitation of his scholars, who wanted a plaything, he bought *Æsop*, and the boys paid for him. The first question put to *Æsop* was, "Of what place are you a native?" "I am a negro," said *Æsop*. "Where were you born?" "Of my mother." "I did not ask that," said *Zanthus*, "but what place were you born in?" "My mother never informed me." "What can you perform?" "Nothing," replied *Æsop*.

This was all a civil-service examination could have brought out of *Æsop*. Yet, after a few years, contact with the students of philosophy, this inarticulate negro possessed both eloquence and elocution. Yes, in this deformed body was set the largest soul, within which the most refulgent gems glittered and sparkled far beyond anything the philosopher *Zanthus* or his scholars ever knew. What did it? Contact with others mainly. He could not stand a competitive examination and was bought to gratify the curiosity of the schoolboys. Take also the Rev. William Pool, whose modesty influenced him to offer his resignation, and who in a few months developed into a thoroughly equipped court officer.

Another mischief the system breeds which was unknown to the constitutional methods of selecting these officials before 1883 is this: The system tends to the selection of a large body of young citizens as fit for office eligibles, and the very act of being thus marked or designated as eligibles unfits them for practical life should they not succeed in getting an appointment. By way of illustration, suppose that out of the great body of American citizenship 500,000 should be selected under the rules of the civil service as eligibles. Now, there would necessarily be a large column, larger than any army that ever engaged in battle on any field of carnage in this Republic, unemployed. They would remain as so many able-bodied beggars in idleness. They could not undertake any scientific or professional work, because this is a business of a lifetime. Neither could they engage in any of the industrial lines of business, because they would be constantly awaiting and expecting a call to the public service.

Still another one of the reasons of the passage of the Civil Service Commission law was this: It will destroy the iron rule of party despotism, said its advocates. If that was a mischief to be dreaded, the remedy of civil service is totally ineffectual. Any law that puts it into the hands of any officer of this Republic, as the President has under this law, to expand its operations when his party friends are to be the beneficiaries and contract it when a new state of things exists is both unjust and would make a despot of a Christian patriot President. Besides this, a mischief springs out of the idea of having an enforced nonpartisan service more to be dreaded than the imagined evil of the iron rule of party despotism.

There are two duties and two high prerogatives that no man can afford to disregard or surrender and no just government can lawfully attempt to enforce. The one is man's duty to his Maker, religion; the other, man's duty to his country, patriotism. No man has a right to be merely passive touching either of these great duties. No government that is not a despotism can attempt to enforce such a policy. Suppose a statute was introduced requiring the Commission to select none who pray and actively participate in the promulgation of Christian truth. No man but a hideous, deformed moral idiot would advocate it.

The individual light before God must not be put under a bushel. Equally so touching one's duty to his country. If he sees, or honestly believes he sees, an evil, error, or mischief lurking in any proposed government policy, he has no right to be passive. It is his duty to cry aloud and employ all the forces of patriotism in resisting, exposing, and cutting from the body politic, any error as eagerly as the physician of the soul would cry out against moral leprosy. No man can be a respected or valuable sentinel upon the watchtowers of liberty who surrenders his rights to cry out against government abuses. The truth is there is no such thing as "the iron rule of party despotism." Associated political action is the only force in a republic that can enforce a principle, or check or remove an abuse or mischief. Political parties are essential to this great work.

Without parties a republic can not exist. When by the efforts of one party or organization an Administration has changed and new parties and principles are to be enforced, the agencies of the Government should likewise change. There should be no life tenure, except those expressly mentioned in the Constitution, the judges. To say that the thousands of employees now in the service are all good and worthy citizens and have done their duty is no reason why they should remain in office all their lives, for there are tens of thousands just as worthy and competent in the fields of industry to whom a participation in the emoluments, and especially the honors, of holding office are just as sweet. Besides this, disguise it as you may, there is to some extent selfishness in all our conduct.

Men pray because it benefits them. They become religions because they expect a reward to come. The citizen labors for good government because he is to be benefited. He becomes a patriot often in order that he himself, as well as his neighbors, may enjoy the benefits of good government. This Republic is in need of the intelligent exercise by every citizen in it of his best intelligence on all political questions. The man in office as a clerk even has a better opportunity to inform himself than the equally patriotic plowman at home. Just there in the library I saw an employee here poring over his books. He told me his habit was to put in every spare moment there.

When an Administration is in, it needs the service of the most intelligent and efficient men of the Republic who at least desire that Administration to succeed. Seventy-five per cent of the employees and appointees of this Administration are unfriendly to it, and no doubt pray for the restoration to power of the party just defeated, and no way to get them out. Great political fortunes may and often do hang upon the action of those in power touching any great political question.

The 15,000,000 men with ballot in hand will demand the overthrow of the system. How can a member of Congress refuse to help in this great work? Each member owes his promotion to the ballots cast by good legal electors. How can he insist logically on the right to hold his office, enjoy its honor, without being marked by a commission as an "eligible," and deny the right to hold by appointment to those who elected him? It is easy to make chin music at home to the elector for his vote—that is all right, it is free, and freely given. But when the modest, active patriot whose services elected him asks for an appointment, "Oh, you must submit to a civil-service examination. The law is a good one; it saves us the worry and trouble of office hunters."

The story of the selfish worshiper fitly illustrates his position. A dying man said, "Read to me some comforting portions of Scripture;" this done, "What next can I do for you?" inquired the zealous Christian. "Why, will you not pray for me?" "Certainly," he replied. Prayer being over, "What next, my dear suffering brother?" "Please give me a small drink of brandy from the little bottle of yours, it will stimulate me." "No, no, sir; the Scripture I read and the prayer I made were all free, they cost me nothing. This brandy cost me \$1 a quart. I can not afford it." When the Congressman made elaborate addresses, it was all freely done; so freely given that it taxed his modesty to ask a vote in return therefor. But when the elector now asks to be recognized as an eligible, "Oh, no; it will cost me a little worry and trouble." My Republican brother, great political fortunes hang upon our action touching this great question. The system is of doubtful constitutionality—un-American. It is at war with the life of the Republic. I would resist its continuance as earnestly as I would an attempt of a British fleet to bombard this Capitol.

With the business life of the country revived by the wise tariff legislation which has been the work of this special session, it is to be hoped that the Republican party will assail this greater evil—this civil-service humbuggery—at the beginning of the regular session with more vigor than it has displayed even in destroying the free-trade heresy which has humiliated our citizens and robbed us, in a large measure, of the dignity of American citizenship.

#### Tariff and Bonds—McKinley Tariff a Bond Producer.

Ample revenues for the wants of the Government are provided for by this [McKinley] bill.—*McKinley*, in reporting McKinley bill to House (1890).

I should say the next fiscal year would show a deficit. I think an annual increase of \$50,000,000 would make the Treasury easy, and if I were going to manage it, I would want to have it.—*Secretary Charles Foster*, testifying before House Ways and Means Committee (1893).

#### SPEECH

OF

HON. JOHN W. GAINES,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 359) to provide revenue for the Government and to encourage the industries of the United States.

Mr. GAINES said:

Mr. SPEAKER: Every few days I am asked by letter and otherwise, by people from many States, and especially Ohio, this question: "Is it true that while the McKinley tariff was the law Mr. Secretary Charles Foster ordered plates to be made for the purpose of issuing fifty millions of bonds to replenish the revenues of the Government?" In my former speech on the tariff, published in the RECORD of March 31, 1897, I proved, I thought, beyond all question, that Mr. Secretary Foster did issue such an order on February 20, 1893, just ten days before the end of President Harrison's term.

The gentleman from Ohio [Mr. GROSVENOR] had flatly disputed the existence of this order while the Dingley bill was under discussion this session, using these words:

I hope the gentleman [Mr. McMILLIN] will not again put that old story in circulation. It was false in its origin and is false to-day.

Soon after he disputed the existence of this order, I procured a certified copy of it from Mr. Secretary Gage, which I hold in my

hand, and will again make a part of my remarks. It reads as follows:

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
Washington, D. C., March 25, 1897.

SIR: I have the honor to acknowledge the receipt of your letter of this date, requesting the original letter, or a certified copy thereof, written by Mr. Secretary Foster February 20, 1893, addressed to the Chief of the Bureau of Engraving and Printing, authorizing the preparation of certain plates. In compliance with said request, I submit below a correct copy of the letter in question, also a copy of the text of the proposed bond.

[Copy of letter.]

TREASURY DEPARTMENT, OFFICE OF THE SECRETARY,  
Washington, D. C., February 20, 1893.

SIR: You are hereby authorized and directed to prepare designs for the 3 per cent bonds provided in a Senate amendment to the sundry civil bill now pending. The denominations which should first receive attention are 100s and 1,000s of the coupon bonds, and 10s, 1,000s, and 10,000s of the registered bonds. This authority is given in advance of the enactment, in view of pressing contingencies, and you are directed to hasten the preparation of the designs and plates in every possible manner. I inclose a memorandum for your guidance in preparing the script for the body of the bond.

Respectfully, yours,

CHARLES FOSTER, Secretary.

THE CHIEF OF THE BUREAU OF ENGRAVING AND PRINTING.

TEXT OF THE BOND.

"WASHINGTON, April 1, 1895.

"This bond is issued in accordance with the provisions of section — of an act entitled 'An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1894, and for other purposes,' approved March 3, 1893, and is redeemable at the pleasure of the United States after the last day of April, A. D. 1898, in coin of the standard value of the United States on said March 3, 1893, with interest in such coin from the day of the date hereof at the rate of 3 per cent per annum, payable semi-annually on the last days of October and April in each year. The principal and interest are exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form, by or under State, municipal, or local authority."

Respectfully, yours,

L. J. GAGE,  
Secretary.

HON. JOHN W. GAINES,  
House of Representatives.

I desire to add that I had in my hands, March 25 last, and read the original order of Mr. Secretary Foster, which is on file at the Bureau of Engraving and Printing.

In discussing this point in the House last March, I said what I now repeat.

I desire to call special attention to what Mr. Secretary Foster says in this mysterious order of February 20, 1893:

This authority is given in advance of the enactment.

Think of this, gentlemen! Fifty million dollars of indebtedness to be created in time of peace, and that, too, "in advance" of the enactment of the law which was to be approved "March 3, 1893," the last day of the Harrison Administration. Why "in advance"? Why at all? "In view of the pressing contingencies," says Mr. Secretary Foster. What "contingencies"? Was the National Treasury plethoric? Was it overflowing? Or did Wall street want the bonds? Why such haste, if the condition of the Treasury was "overflowing" or easy? Why, Mr. Foster, did you not wait for the incoming Administration to issue these bonds to disgrace itself, as it did do? Why precipitate this bond odium on Harrison's Administration? Certainly the Government would not have made an assignment in eleven days, from February 20, 1893, to March 4, 1893. There is something "dark and dreary" about this. Senator Sherman was the author of an amendment to the sundry civil bill in the Senate authorizing the issuance of these bonds. We are not surprised. He was at his old tricks, doing business at the same old stand.

MR. MCKINLEY A FALSE PROPHET.

When Mr. McKinley in 1890 reported the McKinley bill to the House, he prophesied as to the virtues of that measure in these words:

Ample revenues for the wants of the Government are provided by this bill, and every reasonable encouragement is given to productive enterprises and to the labor employed therein.

Mr. McKinley, however, proved to be a false prophet. We find, before the end of President Harrison's Administration and while the McKinley tariff was the law of the land, that plates for the issuance of fifty millions of bonds were ordered by Mr. Secretary Foster.

We further find, on February 25, Mr. Secretary Foster stating to the Ways and Means Committee of the House that a deficit would occur within the next fiscal year; that the revenues of the Government should be increased fifty millions annually, and this increase made permanent. We find further that while the McKinley tariff bill was still the law of the land and being enforced by Mr. Cleveland's gold-standard Administration, bonds were issued, whether rightfully or wrongfully; and the fact remains that they were issued and that this issuance was indorsed by the Republican party.

Mr. Speaker, the McKinley tariff not only paralyzed our home trade, but our international commerce, which necessarily caused a falling off in imports and equally as necessarily a diminution in the amount of taxes collected upon imports.



Unable to shed more light upon this subject now than I did in my former speech, and in view of the importance of this disputation, I will ask to add what I said formerly on the subject without further comment.

In addition to this testimony, I will now read you the evidence given by Mr. Secretary Foster before the Ways and Means Committee of the House, February 25, 1893, touching upon the condition of the Treasury:

Secretary FOSTER. Now, I want to say to you these estimates are based upon conditions existing prior to the late election [1892]. What effect the expectations of the public will have upon the revenues I do not undertake to estimate. For the first time, this month begins to show that effect. The revenues for the present month [February, 1893] will be about what they were last year [1892].

That is, Mr. Chairman, these estimates were based upon conditions existing "prior to the late [1892] election." Hence the election could not and did not cause or mold these estimates in any way whatever. They were made upon conditions existing and brought about under the McKinley bill, exclusive of the effects of the election altogether.

No one knew "prior to the election" in 1892 who would be elected; hence it is untrue when the Republicans say that the issuance of these bonds, or rather their proposed issuance, was brought about by the threatened election of Mr. Cleveland. In fact, as stated, their issuance or the estimates of Mr. Foster were based exclusively on conditions existing "prior" to the election.

The testimony continues:

Mr. TURNER. Taking into consideration all these conditions which you anticipate, what, in your judgment, would be a fair conjecture of the condition of the Treasury at the end of the next fiscal year?

Mr. Secretary FOSTER. I should say the next fiscal year would show a deficit.

Mr. TURNER. Can you give an approximate estimate, according to all the data accessible to you?

Mr. Secretary FOSTER. I will only say this, that if I was to have the management of the Treasury, I should insist upon an increase of revenue to the extent of \$50,000,000.

Mr. TURNER. In order to meet those conditions which you anticipate?

Mr. Secretary FOSTER. Not only those conditions, but the gold conditions as well.

Mr. Chairman, it is a little strange that Mr. Foster did not tell this committee there and then, "February 25, 1893," that he had already, on "February 20, 1893," ordered the bond plates for "\$50,000,000" of bonds. Yet we see he had ordered them, and yet failed to state all the truth, and certainly he could not have well overlooked a little thing like ordering or issuing "\$50,000,000 of bonds" for the people, the plain people of this country, to pay. "Millions" are small things to the Republican party, even when they are administering a public trust.

The examination continued:

Mr. WILSON. Did I understand you to express a general opinion a while ago that in addition to the present sources of revenue the revenues of the Treasury Department ought to be advanced \$50,000,000 more a year?

Secretary FOSTER. Yes, sir.

Mr. McMILLIN. Would you make that for one year or a permanent increase of revenue?

Secretary FOSTER. As things are going now, a permanent revenue, for two reasons. I would increase the gold reserve at least \$25,000,000 if I had the money to do it with.

Mr. TURNER. But your answer just now seemed to contemplate an annual increase?

Secretary FOSTER. I think an annual increase of \$50,000,000 would make the Treasury easy, and if I were going to manage it I would want to have it.

Another thing, Mr. Chairman, I notice—that Mr. Foster, in so many words, says that there would be a "deficit." I repeat his words, "I should say the next fiscal year would show a deficit." He had already said, as the report shows on the same page, "The revenues for the present month [March, 1893] will be about what they were last year" (1892).

Mr. Chairman, the McKinley bill was in full force a year previous, "last year" (1892), and was then in effect. Mr. Foster virtually admits that even "last year" (1892) the revenues were insufficient for the needs of the Government, because he says:

The revenues for the present month [February, 1893] were about what they were last year (1892).

At the same period we find in the "present month" (February, 1893) he is preparing to issue bonds to the amount of \$50,000,000, to do what? To meet this "deficit and the gold conditions then existing."

"Two things which are equal to the same thing are equal to each other." If the revenue at the two periods, February, 1892, and February, 1893, were the same, as Mr. Foster says they were, then we must conclude that there was a deficit at both periods.

The majority report of this committee, after fully hearing Mr. Foster, said:

DEFICIT OF \$25,000,000 TO \$50,000,000.

Under the most careful estimates that can now be made it is apparent that at the end of the ensuing fiscal year there will be a deficit amounting to from \$20,000,000 to \$50,000,000. In these calculations no account whatever has been taken of the requirements of the sinking fund.

Secretary Foster stated that in his opinion the annual receipts of the Government should be at once increased. He also stated that in his opinion there would be a deficit at the end of the fiscal year 1894, and said that if he had the management of the Treasury in the future he should insist upon an increase of the annual revenue to the extent of \$50,000,000. This increase, he stated, should be made to meet the conditions to which reference has been

made in this report, and also for the purpose of increasing to the extent of \$25,000,000 the gold reserve fund of \$100,000,000, which increase he earnestly recommended.

I challenge the correctness of the contention on the other side of this Chamber that a low tariff brought about the financial depression from which we are yet suffering, because the Wilson bill itself is an intensified protective measure and out-herods all other tariff measures except the McKinley bill, and even rivals that infamous law. I challenge the opposition to refute the testimony of their own witness, Mr. Secretary Foster, when he establishes beyond all peradventure that the causes that made bond issues necessary and bred panic and disaster were created away back in Mr. Harrison's Administration.

I call the country to witness that under this indisputable proof it was not low tariff that did it; it was not the fear of Democratic accession that did it; it was not the dread of Democratic misrule that did it, but that it had its origin while the Republican party was in full swing and the McKinley tariff in full force.

I am not here, Mr. Chairman, to defend Mr. Cleveland on any part of the ground. Time was when he sang a clear note to the country on the evils of protection, and so intense were his convictions that he blazed out a new course, in that he subordinated all things else to that question and made it the sole topic of an annual message. But he forgot all that. He heard the siren's voice after that and was captivated by the sweet strains that were twanged upon the golden lyre in Wall street.

He proclaimed the true Democratic doctrine upon this vital question, and his words were verified, that protection is destructive to trade and commerce and to general prosperity, only designed for the enrichment of the few and the impoverishment of the many, and he held these supreme truths paramount, and declared upon their correct solution depended the rights and interests of the people and the integrity of constitutional free government; but he forgot all that when the siren twanged, and he permitted another issue to crowd it into the background, and he deliberately made it possible for the Republican party to be foisted again into power where it could work out the schemes of tariff destruction that he once decried so valiantly. He deliberately surrendered the right of the Government under the law and expressed in the face of the contract to pay its obligations in both or either coins, in the face of his party platform, and in spite of his party creed, and thus he helped to fan the flames that were kindled away back yonder in 1893 under his Republican predecessor, and finish the degradation and financial enslavement of his people that he might please those who enriched him. He was a Jonah in the Democratic ship; but, thank God, he is where he belongs, aboard the Republican craft, and may the Lord have mercy on the Republican party's soul.

IS TRUSTEE AND AGENT FOR THE PEOPLE, NOT OF THE CREDITOR.

Senator Beck, in a speech in the Senate in 1879, condemned paying in gold these coin obligations, and said they should be paid in silver. He said:

The position taken by the Secretary, that the creditor should be allowed to determine what character of coin he prefers to be paid in, when the United States have the right to pay in either, can not be maintained. The Secretary is the agent and trustee of the people, not of the creditor. The option is for the benefit of the people, and the right is absolute in their agent to pay silver coin without consulting the creditor, if the interest of his *costui que trust* requires payment to be so made. Not to pay in the manner most advantageous to the taxpayers of the country is a plain violation of the known duty of the Secretary. It seems to me to be an obvious fact that it is the interest of the people to utilize the silver dollar by requiring the Secretary to pay the interest we owe with it.

Again, Mr. Beck said:

It is the clear duty of the Secretary to pay the interest we owe in the coin that costs us least. It is our option, not the creditor's, and Congress ought to see to it that the laws are executed in the interest of the people.

And yet Mr. Carlisle disregarded such pertinent and patriotic advice and turned over the option to the creditor, and then was compelled to sell him bonds to get the gold to pay back to him.

As early as 1836 Mr. Webster said the option was with the payer and not the payee—the man in debt and not the man to whom it is to be paid. He said:

It (the law) enumerates four kinds of money, or other means of payment; and can anything be plainer than that he who has to pay may have his choice out of all four? All being equally lawful, the choice is with the payer and not with the receiver. This would seem to be too plain to be either argued or denied. Other laws of the United States have made both gold and silver coins a tender in the payment of private debts. Did any man ever imagine that in that case the choice between the coins to be tendered was to lie with the party receiving? No one could ever be guilty of such an absurdity.

In these latter days there have arisen wiser men and greater patriots than Mr. Webster to set his profound opinions at naught and barter away a right that was founded in law, predicated in immutable principle, sustained by the unvarying judgment of statesmen and law writers, and expressed in the face of the contract itself, and allowed the creditor to choose to be paid in that coin that was hardest to obtain, and to do this was forced to sell bonds to provide the means to meet the demands of unjust greed.

And yet, in face of all this, there are those on the other side of this Chamber who have the temerity to say, and the hardihood to pretend to believe what they say, that it was the bogus low-tariff Wilson bill that made the sale of bonds necessary.

## The Disintegration of the Democratic Party.

## SPEECH

OF

HON. CHARLES H. GROSVENOR,  
OF OHIO.

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

The House having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States, and the question being upon agreeing to the report of the committee of conference on the disagreeing votes of the two Houses—

Mr. GROSVENOR said:

Mr. SPEAKER: I want to introduce at this time an extract from the speech recently delivered at Sumter, S. C., by Senator McLAURIN, of that State, who is now making a canvass for his reelection to the Senate, after having given several votes in favor of a protective tariff.

The Senator, in defending his position, said:

With the advent of the present Administration came a determination to repeal the present tariff law and enact one more protective in its features and more certain, it is alleged, to bring sufficient revenue. The question of how to meet this Republican onslaught has given rise to much discussion among Democrats in Congress and quite a difference of opinion on some particular points. Some, like Senators VEST, JONES, MILLS, and others, favored a propaganda of revenue principles by showing up the iniquities of the measure, so that in future these discussions might be used as political capital.

We assumed that without an income tax the entire contention, aside from a desire to make political capital, was one of schedules. There is not a man before us who would listen to the tariff debate one single day and not come to the same conclusion. Let me give you a few instances among Democrats to sustain this contention. Senator RAWLINS demanded a duty on wool and gilsonite for Utah. Senator WHITE demanded a duty on borax and fruit for California. Senator MORGAN wanted a duty on iron for Alabama. Senator PASCO wanted higher duties on cigar wrappers for Florida. Senator BACON wanted a duty on cotton and lumber for Georgia. Senator TILLMAN and myself wanted what we could get for rice, cotton, lumber, bauxite, and monasite for South Carolina. Congressmen LOVE and WILLIAMS wanted a duty on pyrites and bauxite for Georgia, while FOWLER, of North Carolina, joined in for it all.

Senator ALLEN, after condemning a duty on lumber, of which his State produced none, asked for a duty on chicory, of which his people were large producers.

Senator CAFFERY, of Louisiana, after expending days denouncing a protective tariff, wound up with a demand for a duty on sugar.

I might tell you how some would denounce protection on the floor of the House and then come quietly into our committee room and ask for a duty on some product of their own district.

I became disgusted with such double dealing, and, with TILLMAN, BACON, RAWLINS, and others, began the fight on the sectional features of the bill, and demanded equal privileges for the South and her industries. The result of our efforts has been a duty on cotton, equal privileges for Southern pine and Southern railroad ties, higher duties on rice, and duty on bauxite.

We have also compelled the Republican managers to recognize the injustice of taxed jute bagging for the planter and on binding twine for the wheat raiser, and have put this bagging on the free list. Not a single one of us believes in the doctrine of protection, and so declared repeatedly, but made the fight under that part of the Democratic tariff plank which declares that "duties shall be so adjusted as to operate equally throughout the country and not discriminate between class and section." I declared on the floor of the Senate that the South asked for no advantage, but demanded simple justice. If protection was beneficial, as alleged, the South was selfish enough to want her share; if the policy proved disastrous, we were patriotic enough to stand our portion.

Thus it will be seen that the last stand of Democracy at which a united party has gathered has been abandoned. No political party could stand up against the overwhelming exhibition of the failure of free trade during the last four years, and Democratic statesmen are as acute to see the handwriting on the wall as anybody. They have seen that one by one their followers have abandoned the tenets of their political faith, one by one, making the pretense of supporting a tariff upon certain local products, have in fact gone over with substantial unity to the doctrine of protective tariff.

Here we have the leading Democrats of the Senate, with few exceptions, voting, as declared by Senator McLAURIN, in favor of protective duties. Look at the list: RAWLINS, on wool and gilsonite; WHITE, on borax and fruit; even Senator MORGAN, the old-time faithful apostle of Bourbon Democracy, wanted a duty on iron; PASCO, on cigar wrappers; BACON, on cotton and lumber; TILLMAN and McLAURIN, on rice, cotton, lumber, bauxite, and monasite; Congressmen LOVE and WILLIAMS wanted a duty on pyrites and bauxite; FOWLER of North Carolina joined in for it all, and Senator ALLEN—think of that, the Populist apostle—voted for a high duty on chicory, wherewith the coffee of the people may be adulterated; CAFFERY, at the end of his few brief suggestions, wanted a protective duty on sugar, and so the brethren are all in line, and it simply means the ultimate abandonment of the whole doctrine of free trade.

Mr. Speaker, pass this bill, and if it benefits the country, as I predict it will, we will never have a Democratic convention denouncing protection as a robbery.

## The Advance of Plutocracy, and Menace to American Liberty.

## SPEECH

OF

HON. ALBERT M. TODD,  
OF MICHIGAN.

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. TODD said:

Mr. SPEAKER: After four months' session of a Congress which will go into history noted for its revolutionary disregard of constitutional procedure, the Republican majority have voted to pass a bill for the plunder and taxation of the American people unequaled in severity in the history of any free nation.

This extraordinary session was convened by the President in unseemingly haste, immediately upon his accession to power, in compliance with a bargain made by the leaders of his party with the trusts and money power, which furnished in the recent campaign a corruption fund hitherto unparalleled in magnitude for the deception and coercion of American citizens.

You of the majority have, many of you, voted to pass this bill against your better judgment, and against the judgment and protest of those overtaxed and overburdened people whom you represent, because your leaders sold the influence of your once glorious party to the usurers and trusts who now dictate its policy; and under the party lash and the rule of your caucus you have been driven, at the loss of your independence and manhood, like lambs to the slaughter for the banquet of princes.

Should this criticism of the majority seem too severe, I call attention to the opinion recently published in the July Forum of a man whose opinion should be respected by Republicans, because he was a "bright and shining light" in the recent campaign for "McKinley, prosperity, and honest money." J. Laurence Laughlin, who holds the position of professor of political economy in Chicago University by the grace and dispensation of that influential statesman, John D. Rockefeller. He says:

It may not be a pleasant thing to say, but never before—at least in this generation—has there been such widespread loss of confidence in the honor and integrity of our public servants in Congress. One almost hesitates to put into words the frequent admissions of thoughtful men that national legislation is to-day bargained for, if not actually bought and sold. So far has suspicion gone that it is even bruited about as matter of common report that while the President himself may not have made election promises, yet his agents have engaged for him, in the form of a tariff bill, to allow numerous interests to recoup themselves from the country for advances made to secure the nomination and election of their candidate. The audacity, the unblinking "grab," displayed in Washington gives color to such reports. \* \* \* When one sees how much basis there is for this distrust, one does not feel surprised at much of the blind hatred of political corruption expressed by some honest supporters of Mr. Bryan. If we faced the matter squarely, we should find much to justify the existence of Bryanism.

The bill, now under discussion in the Senate, will undoubtedly soon become law with all of its monstrous provisions, and there is now no hope that you who fear your party lash more than you regard the pleadings of humanity can be induced to retrace your steps. But as much information has come recently to light regarding the corruption with which the bill has been forced upon us, and regarding further outrages upon the people of this nation, I desire to speak briefly in reference to them.

## FAILURE OF THE BILL TO MEET ITS PRETENDED PURPOSE.

The promoters of this bill were, by their own admissions, well aware weeks ago that it would utterly fail in its avowed object, viz, "To provide revenue for the Government and to encourage the industries of the United States." Why? First, because the great manufacturing corporations, such as the sugar trust and the woolen manufacturers, although clamoring in campaigns, and through their lobbyists who throng the Capitol, for "protection to American labor and industries," have been, ever since this extra session of Congress was planned by them, loading down every ship to the water's edge with foreign wool, sugar, and products of every description from foreign lands, so that they could enjoy an enhanced value on this foreign raw material and on the finished products, and let the products of the American farms and workshops go untouched except at such prices as their combines were willing to pay.

The distinguished leader of the Republican party from Ohio [Mr. GROSVENOR], in his speech in this House recently, said:

Mr. Speaker, there is at this time [July 19] coming to us from all the sources of information valuable knowledge of the fact that vast quantities of merchandise have been and are being imported into the United States in anticipation of the increased rates of duty to be levied and collected under the pending bill. It is estimated that \$40,000,000 which under the ordinary course



of business would have come to the Treasury of the United States from imports has been anticipated under the lower rates of duty, and to that extent the Treasury will be defrauded.

Notably there has been an enormous incursion of free wool, enough, it is said by those who claim to know, to run the factories of the United States for two years and deprive the woolgrowers of any direct protection under the Dingley law; but still more notable and still more aggressive has been the action of the importers of sugar.—*Congressional Record*, page 3105.

So, according to this very truthful admission, the effect of this present tariff agitation is to force an enormous importation of foreign products, purchased by those who ask the votes of American labor, under the pretense of helping the American workmen.

And that American producers may rightly judge the motives of the men who have promoted this bill, they should know that the Republican majority, in full cognizance of the atrocious methods by which the sugar trust corrupted a former Senate, and had boasted that "they owned it body, boots, and breeches," and the unblushing manner in which it has paraded itself through the corridors and committee rooms of the Capitol in this Congress; and after the recent trial of the officers of the trust had been shown to be a farce in the District court, yet the Republican majority stands solidly for this tax in the favor of the trust, increased at the last moment by a further deception claimed to be in the interest of American producers, while refusing to adopt the suggestion of the Republican Secretary of the Treasury to lay an internal tax of 1 cent a pound upon the amount of sugar on hand thus imported by such sugar trust free of the increased duty, and on which they will obtain an unjust advantage, which would have added upward of \$12,000,000 to the public Treasury without any possible injustice to the trust.

#### HOW "PRIVATE OWNERSHIP" OF THE GOVERNMENT IS SECURED.

The manner in which this trust and the other trusts have secured fraudulent "ownership" not only of a majority of the Senate, but now of the House as well, is shown in the sworn testimony given by the president of the trust before the Senate investigation committee. I quote from the official report:

Senator ALLEN. Had you or the Sugar Refining Company contributed anything to the campaign fund in New York last year—the Democratic State campaign fund of last year?

Mr. HAVEMEYER. I will have to answer that in the affirmative. Senator ALLEN. Did you also contribute something to the Republican campaign fund; that is, for the State campaign?

Mr. HAVEMEYER. We always do that. I have not the amount in my mind. Senator ALLEN. In 1892 did you contribute to either party?

Mr. HAVEMEYER. The local parties?

Senator ALLEN. The national parties.

Mr. HAVEMEYER. No, sir; but always to the local parties. Let that be distinct.

Senator ALLEN. And you contribute to both parties with the expectation that, whichever party succeeds, your interests will be guarded?

Mr. HAVEMEYER. We have a good deal of protection for our contribution. Senator ALLEN. Therefore you feel at liberty to contribute to both parties?

Mr. HAVEMEYER. It depends. In the State of New York, where the Democratic majority is between 40,000 and 50,000, we throw it their way. In the State of Massachusetts, where the Republican majority is doubtful, they probably have the call.

Senator ALLEN. However, in the State of New York you contribute to the Democratic party, and in the Commonwealth of Massachusetts you contribute to the Republican party?

Mr. HAVEMEYER. It is my impression that wherever there is a dominant party, wherever the majority is very large, that is the party that gets the contribution, because it is the party that controls local matters.

Senator ALLEN. Then the sugar trust is a Democrat in a Democratic State and a Republican in a Republican State?

Mr. HAVEMEYER. As far as local matters are concerned, I think that is about it.

Senator ALLEN. In the State of Maine you control the refineries at Portland, do you not?

Mr. HAVEMEYER. That is defunct. We would not give anything to the State of Maine.

Senator ALLEN. In the State of Pennsylvania where do your contributions go?

Mr. HAVEMEYER. I will have to look that up.

Senator ALLEN. In the State of your nativity, or the nativity of your corporation, New Jersey, where do your contributions go?

Mr. HAVEMEYER. I will have to look that up.

Senator ALLEN. I understand that New Jersey is invariably a Democratic State. It would probably go to the Democratic party?

Mr. HAVEMEYER. Under the theory I have suggested, if they were there, it would naturally go to them.

Senator ALLEN. And this money that you contribute to these different parties for campaign purposes, local campaign purposes—that money comes out of the corporation of the sugar refining company?

Mr. HAVEMEYER. Yes, sir.

Senator ALLEN. And is a part of the expenses of that company?

Mr. HAVEMEYER. Yes, sir.

Senator ALLEN. Charged up on your books as expenses?

Mr. HAVEMEYER. Yes, sir.

Senator ALLEN. How would it show—as so much money?

Mr. HAVEMEYER. It would show that a payment was made, and that payment would have to be explained by the party who made it.

Senator ALLEN. The manner in which he did explain it actually would not appear upon your books?

Mr. HAVEMEYER. No, sir.

#### HOW THE RAILROAD AND TELEGRAPH TRUSTS SECURE THEIR SHARE OF "PRIVATE OWNERSHIP" OF THE PEOPLE'S GOVERNMENT.

A pernicious practice has for many years been permitted in this country, that of giving free passes and free telegraph service by the railroad and telegraph companies to Senators, Representatives,

the judges of United States courts, and other prominent officials connected with the General Government, as well as to like officials of our State governments. So long as this system of bribery is allowed, how can we expect legislation or judicial decisions free from prejudice?

I say "bribery" advisedly, for wherein lies the difference between the giving of money and that which costs these corporations money to supply? So long as these corporations do your service free, that which costs them money, they must of necessity recoup themselves from the people by maintaining the present unjust rates. Why do they offer you passes and telegraph franks as soon as you are elected to a high office, when they had not done so before? Because you now hold a position of trust, sworn to protect and advance the interests of the people, and they wish to disarm you by placing you under personal obligations to them.

How well they have succeeded in their plan of seduction is evidenced by the failure of the nation to provide a postal telegraph (although various Postmaster-Generals have recommended it in special reports) and to break the power of the great railroad pool. It is even a matter of common report that the present Vice-President of the United States is a director of one branch of the pool, and left his duties as President of the Senate during the present session to attend a meeting of the board in New York.

During the present session of Congress the Supreme Court of the United States, in the famous transmissouri case, decided that these railroad pools, or traffic associations as they style themselves, were violators of law, and are within the scope of the antitrust act. The railroads have already commenced planning to "procure" through Congress a repeal of the provisions of that law, or an amendment granting them immunity from its provisions, and are sending through the Trunk Line Association appeals to Senators and Congressmen to come to their aid.

How, then, could the Republican majority of this House, who have absolute control of this bill to do what they wish, vote for its passage after having admitted that it would fail to provide either of the beneficial results for which it was pretended to be enacted? The answer can be found in the fact that these gentlemen have received too much education by contact with the trusts not to know that this bill was never intended for any other purpose than to foster combines for the plunder of the common people. And how can Republican leaders face their constituents in the great woolgrowing States, when the very effect of this legislation, even before the bill is passed, has been to bring in, as they admit, a supply of foreign wool sufficient to last two years, and at the same time they have given the woolen manufacturers, in addition to the rate for a protective duty, a further tariff as a compensatory duty equal to the duty herein levied upon wool and which they are permitted to evade paying on this two years' supply? Numerous antitrust amendments, varying in their scope and provisions, have been proposed by the minority for the purpose of controlling and limiting the power of these trusts to rob the people, and yet all these propositions have been rejected by the majority, thus leaving the combines free to enjoy the present and future benefits of this bill—the consummation of their covetous desires.

#### DECEIVING THE FARMERS.

You of the majority are found practicing deception upon the great farming interests by fixing rates of tariff pretended to increase the value of their products, when you knew you could not thus aid them, since we export rather than import these products, except as to wool, the latter of which decreased every year in price under the operation of the McKinley bill in my State, and has increased under the Wilson bill.

As a remedy for this unjust condition, the honorable Senator from Utah [Mr. CANNON], very consistently with his record as a protectionist, offered an amendment providing an export bounty on American farm products to compensate for the increased tax you are about to levy on the farmer in the interest of manufacturers. But no! Your ears became deaf and your tongues silent as the Sphinx, as usual, whenever any humane amendment has been offered you which was not "favorably reported" by the trusts.

#### STOCK GAMBLERS AND BOND DEALERS GREATER THAN THE LAW.

Another amendment was offered, and unanimously passed the Senate, providing that the stocks and bonds of corporations hereafter issued or transferred should bear a slight share of the burden of taxation, but this was also rejected. But the Republican conferees, without consulting the other members of the conference committee at all, decided it was too much in the interest of the common people and against the interest of stockjobbers and speculators, and out it had to go, and out it did go.

When the honorable chairman of the Ways and Means Committee, whose name the bill bears, placed before the House the joint conference report, he said that this provision was omitted "because the committee did not think it could be enforced." I asked him, "Is it possible, then, that you admit what we have long contended, that the stock gamblers, corporations, and trusts are not

amenable to law under the present régime—that corporate wealth is above the law and the Constitution?” I quote from the RECORD:

Mr. TODD. May I ask the gentleman a question?

Mr. DINGLEY. Certainly.

Mr. TODD. You have said that the Senate amendment was receded from because you found it impossible to regulate the collection of revenues on stock and bond transactions. You admit, then, that the laws of the United States are inoperative against the stock gamblers of Wall street, and that they can not be enforced.

Mr. DINGLEY. I admit nothing of the sort. I say this: There must be a record of these transactions for it to be effective, and there appears to be no record in such cases, and they can be easily avoided.

Mr. TODD. But Congress has the power to make legislation which will bring out these records.

Mr. DINGLEY. Oh, the great trouble is, there is no record.

Mr. TODD. It would be as easy to perfect machinery for that purpose as it is for the custom-house regulations and internal revenue.

I believe the honorable gentleman spoke truly. For the perversion of justice and law in their behalf by venal courts and the ease with which great corporations can escape taxation has long been a matter of common knowledge.

THE TRIUMPH OF THE TIMBER THIEVES AND “LOG ROLLERS” OVER “HOME BUILDERS.”

While every page of this act teems with injustice, there is one schedule besides the sugar schedule of so revolting a nature that I can not pass it by, especially as it is exploited as a triumph for the people of my State and the honorable Senator who labored so industriously for its passage. I refer to the tax of \$3 per thousand on pine lumber, which every farmer, wage earner, and business man must pay to the speculators in pine lands when they wish to build a home or a shelter for their stock.

It is well known that this tax can not in the slightest degree benefit a single workingman or industry, because the pine lands are mostly owned by less than a dozen men, who do not operate mills, but who will now sell the trees to the mill owners at the enhanced tariff value. On the contrary, the mill owners, being thus compelled to pay more for their trees, can not afford to pay their laborers the usual wages, and thus every person of every rank and station pays tribute to a few multimillionaire speculators, and the glory of “protection” and the fame of my State and its statesman are spread!

How much longer will the people of Michigan and the country at large allow their interests to be thus misrepresented under this sham of “protection” when they learn who it is that dictates the policy of Senatorial servants of the timber trust?

An exceedingly interesting bit of testimony from one of the men who assisted in fixing the lumber schedule, Mr. Winchester, was by him thoughtlessly published in the Northwestern Lumberman of February 27, 1897. And as the junior Senator from my State [Mr. BURROWS] has quoted him as a man of great reliability and truthfulness, I will quote what his friend, Mr. Winchester, says:

Now, you take our average cut of the United States, and \$1 a thousand advance means what? It means \$35,000,000 to the lumbermen of the United States in a year. So, if we carry out this idea, \$1 duty does not take it to that. Lumber in Canada would come down a whole dollar, and it would not help us any. Get it up to about \$2 and then it would begin to have its effect. To illustrate a little further: There was a lot of gentlemen from the Northwest, up Minnesota way, in Washington the other day, and they were sitting in Senator BURROWS's committee room. An interesting incident occurred there. Senator BURROWS is chairman of the committee. The committee had not had a meeting for a long time. We happened to be sitting in that room, and one of the gentlemen from Minnesota had an envelope and a lead pencil. He walked around the room and he ciphered out a little bit, and he said: “Mr. BURROWS, do you know what \$1 a thousand would mean to this little crowd of men in here?” There were not as many in the room as there are here. He said the advance of \$1 a thousand on lumber meant \$6,125,000 on last year's product.

Now, note what he says, that at \$1 per thousand Canadian lumber would be imported, as the Canadians would lower their price and pay the import duty, or, as the Republicans claim, “the foreigner would pay the tax for the privilege of doing business in this country.” The American people would also have the benefits of cheaper lumber. But under the two-dollar rate every legitimate industry of my State, as well as other States, will be “discouraged” rather than “encouraged.”

So now the American people are to pay an annual tribute of not only \$35,000,000 to these timber barons, but at your doubled rate of \$2 per thousand will pay \$70,000,000 of trust “protection,” which goes into the pockets of the little group of millionaires who dictate the election of Senators in the lumber States and who have their headquarters in our Senator's committee room.

Is it any wonder, then, that the honorable Senator from Michigan, who owes his election to these greedy combines and the money power, which control the policy of his party in my State, should say in an address in the city of Kalamazoo, in the campaign of 1894, as reported in the Republican press of the city (he being a candidate for the Senate at the time), “I once thought I was in favor of electing United States Senators by direct vote of the people, but I could not vote for it now, because the people can not be trusted.”

THE FRAUDULENT METHODS OF THE LUMBER BARONS.

But how do these lumber barons obtain their vast holdings of timber lands? Mr. Speaker, there is on record the fullest evi-

dence that it is largely through frauds upon the General Government and the States. And a further gigantic scheme of plunder of this kind has been incorporated by this Congress into an appropriation bill, which was already thought so questionable that the retiring President refused his signature, and was passed by this Congress after attention had been called to its outrageous provisions. I refer to the following amendment to the sundry civil bill (H. R. 16), and ask the House to specially note its contradictions, where, under the pretense of “preserving” living timber, it allows the destruction of every tree of value:

For the purpose of preserving the living and growing timber and promoting the younger growth on forest reservations, the Secretary of the Interior, under such rules and regulations as he shall prescribe, may cause to be designated and appraised so much of the dead, matured, or large growth of trees found upon such forest reservations as may be compatible with the utilization of the forests thereon, and may sell the same for not less than the appraised value in such quantities to each purchaser as he shall prescribe.

When this amendment was favorably reported by the honorable gentleman from Illinois [Mr. CANNON], I objected to its provisions, as it opened the way for gross frauds on the Government by dishonest appraisers, who would undervalue it in the interest of the lumber trust, and asked that if private citizens were willing to pay more they should have an opportunity to buy. I quote from the CONGRESSIONAL RECORD of June 1, page 1723:

Mr. TODD. I should like to inquire why this report does not embrace some provision that the timber be sold to the highest bidder? Will not the provision in the report operate in the interest of some great lumber trust by enabling them to come in and purchase the timber at merely the appraised price?

Mr. CANNON. I think there is in the report such a provision as the gentleman intimates should be adopted.

Mr. TODD. I think not. It is provided that the timber shall be sold at not less than the appraised value, but the appraised value may be only 50 per cent of the real valuation; and if there are persons willing to pay the real value of the timber, why should not the Government get the benefit of such an arrangement instead of allowing some lumber combine to get the timber at half its value?

Mr. CANNON. I think this provision, when you come to examine it, will be found correct:

“For the purpose of preserving the living and growing timber and promoting the younger growth on forest reservations, the Secretary of the Interior, under such rules and regulations as he shall prescribe, may cause to be designated and appraised so much of the dead, matured, or large growth of trees found upon such forest reservations as may be compatible with the utilization of the forests thereon, and may sell the same for not less than the appraised value in such quantities to each purchaser as he shall prescribe, to be used in the State or Territory in which such timber reservation may be situated, respectively, but not for export therefrom.”

Then provision is made for the giving of notice, etc. Plenary power is given to the Secretary of the Interior to make regulations for the sale of timber at not less than the appraised value, the object being to utilize the dead timber.

Mr. TODD. But under the provision to which the gentleman refers all the valuable timber may be disposed of.

Mr. CANNON. It is dead timber that is to be sold, and when sold it is only to be used in the State or Territory in which the reservation is situated.

Mr. TODD. I would withdraw my objection if the language of the provision were so modified that all valuable timber might not be disposed of in this way.

Mr. CANNON. The gentleman, as I understand, objects because provision is not made for selling timber to the highest bidder.

Mr. TODD. My suggestion is that if the timber is to be sold, the Government should get the real value of it.

All that I want is that the Government shall be entitled to receive all it legitimately can receive when that timber is sold.

Mr. CANNON. Oh, well, in my judgment, this so provides; but the gentleman's criticism comes now for the first time. I never even noticed the want of the provision which he refers to. In two days' discussion we had of this matter, when the House was under the lead of the gentleman from Iowa [Mr. LACEY] and the gentleman from Arkansas [Mr. McRAE], our friend did not even make his objection.

Mr. TODD. “The gentleman” was not here at the time.

The honorable gentleman in charge of the bill acknowledged, it will be seen, that my contention was just, and stated that it was in the bill; but when it was shown not to be in the bill, and it was his duty to then and there ask leave to recommit it for such amendment, he refused to do so, and insisted upon its adoption, which a subservient House readily agreed to.

Referring to the gentleman's statement that there were two days' discussion in this House, when I could have made my objection, he must know that the bill was under discussion less than two hours in this Congress, instead of two days, when first brought before this Congress, a rule of the Committee on Rules being adopted by the majority that this very important bill should occupy the attention of this House only forty minutes, and the actual debate covering only three pages of the RECORD (pages 82-85).

Afterwards, on May 10 and 11, when the bill was under discussion upon the Senate amendments, I was not present, and so could not call attention to this want of security, and even at that time, by a similar rule of the Committee on Rules, only two hours were granted for the general debate on the whole Senate amendments.

I did not at the time, Mr. Speaker, press my objections unseemly, because I did not wish to speak distrustfully of the appraisers whom the Administration should appoint to a position of such high trust. But I shall now refer to gross violations of such trusts and to frauds upon the Government and the people of a most infamous nature by former official appraisers, who, it appears, were in collusion with the same lumber barons who have secured



in the Dingley bill the privilege of legally robbing the people—from "up Minnesota way."

In the report to the Senate of the honorable Secretary of the Interior Bliss upon the examinations on timber, transmitted May 13 (Senate Document No. 83), it is shown by valid evidence that these Government "appraisers" made false returns of the amount of timber, sometimes less than one-tenth of the true amount, keeping two sets of books, the false one for the Government and the correct one for the private use of themselves and their friends (the same as the Carnegie works kept of the tests of the worthless armor plate they were selling the Government).

I quote from the report referred to two or three out of the many returns from Minnesota which were found to be false by the Government inspector who reviewed the work (page 6):

SW. of SE. sec. 32, T. 150, R. 33, reported at 11 M. all Norway, was found to contain by Ayres 222 M., and by McGuigan 206 M., almost all white pine.

All trees on this tract were subsequently measured with calipers and tallied by myself, and found to contain 308 trees, which it was computed would make 236 M. feet of lumber.

SE. of SE. of same section, reported at 135 M. Ayres found 381 M. and McGuigan 383 M. Each tree on this tract was subsequently measured with calipers, tallied by Special Agent Parke; found to contain 513 trees, which it was computed would make 421 M. feet of lumber.

Sec. 24, T. 150, R. 35, SW. of NW., reported at 85 M., was found to contain by one examiner (Ayres) 865 M., and by the other (McGuigan) 700 M. (the difference being due to the difference of opinion in regard to defective timber). Subsequently with two men I personally tallied the calipering and measuring of each tree on this tract, and found 1,611 trees, which it was computed would make 902 M. feet of lumber, as shown on the list submitted herewith marked "A."

I also quote from a letter printed in the report on page 141, which explains itself:

TOWER, MINN., December 25, 1896.

DEAR SIR: I see by the papers you are putting up a fight against the estimators from Red Lake. I have some information that may be of value to you; but first of all I had better explain who I am. I am deputy sheriff and game warden at Tower, and accompanied you on your trip to the Indian council at Gheen's, and also you went with me to the land office in Duluth to get an Indian's patent, so you will remember me by that. I know a special agent in the employ of the Government now who invested \$1,250 in Red Lake pine. I saw him hand the draft to a noted pine-land man around Duluth land office, and he told me himself that he was on the inside; that estimators had two sets of books, one official and one of their own for private use; and he had a list of good land that would go cheap; and they had formed a pool in Duluth to buy it up, and he had put in all the money he could scrape up.

Very truly, yours,

ARCHIE PHILIP.

Major Baldwin, White Earth, Minn.

It was also shown in this report that the average price paid for pine timber by the lumber barons was less than 85 cents per thousand feet, yet when they were recently lobbying here for the \$2 per thousand "protection," they urged that they were paying many dollars per thousand instead.

The attention of Congress was duly called to the frauds by the honorable Senator from Arkansas [Mr. JONES] when the lumber schedule was under debate in the Senate. Yet, in spite of the disclosures, the Republican House insisted afterwards upon having the two-dollar tax favorably reported by the conference committee.

This, then, is the class of legislation that this Congress is enacting under force rule, which was summoned to inaugurate "confidence" in the nation. But, sir, until we can have a Congress that will legislate honestly and intelligently to promote justice and equity for all citizens alike, the people both of our own and foreign countries can not have "confidence" in our Government; and the only way in which our nation can ever enjoy a return either of confidence or prosperity is to lay the only true foundation for a prosperous commonwealth—an honest and patriotic government, which shall encourage unselfishness, morality, education, and temperance, thus securing to all citizens alike the blessings of liberty, justice, and equality before the law.

But while Congress has been convened in extraordinary session, at great expense to the people, for over four months, over three-fourths of that time has been wasted in cowardly idleness. The subservient Republican majority of the House has turned a deaf ear to the Cuban patriots who have been for over two years struggling for liberty from the cruel nation which was the home of the inquisition. Why? Because the holders of Spanish bonds would suffer loss, and the bonds of shysters are more precious than the blood of patriots. And you closed your eyes and ears, as did the bondholding and so-called Christian nations of Europe, to the appeals of the brave little band of Greeks who were struggling against fearful odds to preserve Hellenic liberty and the standard of the cross from the aggressions of barbarism. But not even the claims of the land of Homer and Hesiod, nor the memories of Marathon and Thermopylae, of Plato and Socrates, could move your hearts, and the bondholding nations sent their generals to aid the Turk in planning his battles, and the bond was again triumphant over liberty, and thus was Greece repaid by modern civilization for giving to the world philosophy, literature, and art.

THE NEXT GREAT ONSLAUGHT ON THE PEOPLE BY THE MONEY KINGS.

Mr. Speaker, we are informed that the President has for some time had ready to present to Congress, and will probably yet present to this Congress, a message calling on us to authorize him to

commence the fulfillment of the second provision of the secret compact made by the "business manager" of his party with corporate wealth, viz, to still further assail the money of the people. I say "secret," Mr. Speaker, because the President is reported as expressing a desire for this authority to appoint a commission "of experts" to devise ways and means of "reforming the currency" on the line suggested by the "business interests," because he claims it to be a fulfillment of "the promises of the party in the last campaign."

Certainly no such promises were made publicly, either in platform, by Mr. McKinley in his speeches, or by the speeches of the party politicians, or by the party press. So if there is any "promise" of the party to give recognition to the demands of the money power, as represented at their convention held at Indianapolis shortly after the election, it must have been a secret one made by the "business manager" of "the advance agent of prosperity" in his Eastern tour for campaign contributions to his sixteen-million-dollar corruption fund.

The celebrated utterances of the honorable Secretary of the Treasury at the dinner recently tendered him by the commercial interests of Cincinnati, as well as a statement published in the Republican press by the honorable author of this tariff bill [Mr. DINGLEY], are that it is the purpose of the present Administration, and one of the intents of the tariff bill, to provide means for the retirement of the greenbacks, which the latter admitted is the most loved money of the people.

Mr. Speaker, we have every evidence that every possible force used in the last campaign and in this House will be brought into requisition between this time and the assembling of Congress in December to further poison public opinion on the money question.

DEGRADING OUR UNIVERSITIES, AND THROTTLING LIBERTY OF SPEECH.

The advocates of the British gold standard are attempting to throttle liberty of thought and of utterance even in our great universities. The action of the Chicago University, in discharging one professor of humane opinions while retaining one who was most "offensively partisan" in his abuse of the advocates of silver in the last campaign was yesterday followed by the enforced resignation of the honored president, E. Benjamin Andrews, of Brown University, who also had humane convictions and the courage to utter them, but not in an offensive or partisan manner. The college corporation addressed him a letter through a special committee in which, after expressing their high regard for him personally and his fitness for the office, the committee said:

They [the corporation] signified a wish for a change in only one particular, having reference to his views upon a question which constituted a leading issue in the recent Presidential election, and which is still predominant in national politics, namely, that of the free coinage of silver as legal tender at a ratio of 16 ounces of silver to 1 of gold.

They considered that the views of the president, as made public by him from time to time, favored a resumption of such coinage, and expressed the belief that these views were contrary to the views generally held by the friends of the university; that the university had already lost gifts and legacies which otherwise would have come or have been assured to it, and that, without change, it would in the future fail to receive the pecuniary support which is requisite to enable it to prosecute with success the grand work on which it has entered.

WILLIAM GODDARD.  
THOMAS DUFFEE.  
FRANCIS WAYLAND.

PRESIDENT ANDREWS'S REPLY.

To the executive committee of the corporation of Brown University.

GENTLEMEN: Believing that, however much I might desire to do so, I should find myself unable to meet the wishes of the corporation as explained by the special committee officially appointed to confer with me on the interests of the university without surrendering that reasonable liberty of utterance which my predecessors, my faculty colleagues, and myself have hitherto enjoyed, and in the absence of which the most ample endowment for an educational institution would have but little worth, I respectfully resign the presidency of the university, and also my professorship therein, to take effect not later than the 1st of the approaching September. I regret the brevity of the intervening time, but am acting at the earliest possible moment after securing an interview with the committee.

Thanking you, gentlemen, and all the other members of the corporation, for the good will toward me personally, which has been expressed in so many ways, and cherishing the best wishes for the prosperity of the university, I am,

Yours, with sincere esteem,

E. BENJAMIN ANDREWS.

So, then, it must be known by the American people that institutions of learning that dare teach the supremacy of humanity over greed can not have further financial support. It is now in order for Mr. Rockefeller, the Standard Oil magnate, to generously donate to this university a million dollars, and raise it in a few weeks by increasing the price of oil to the people a few cents per gallon.

Has it come to this, that liberal education is a thing of the past, and that the dark ages of persecution, Galileo and Copernicus, are again upon us? That the shackles which required a thousand years to unloose from bondage to the church hierarchy in those dark ages must now be reformed by the money power? The voices of 70,000,000 American citizens answer, No!

Mr. Speaker, it has been my pleasure and privilege to read for

many years a magazine of renown for the fearlessness and intelligence with which it has championed the cause of human liberty—the Arena. It was also my privilege recently to meet its gifted editor, who stands foremost among the historians and philosophers of to-day, Prof. John Clark Ridpath, LL. D.

To know this man is to respect him for his intellectual endowments and to love him for his humanity. Besides his History of the World and The Great Races of Mankind, he wrote for the Arena an article entitled "The bond and the dollar," which is famed over the land, and considered by many as the ablest review ever written of the financial history of our country. In view of the prospective battle to come over "financial reform," by his consent I offer it as a part of my remarks under the special rule governing this debate.

THE BOND AND THE DOLLAR—GENESIS OF THE BOND MONSTER; HOW HE BECAME KING AND WHAT HE PURPOSES TO DO—AN APPEAL TO AMERICAN PATRIOTS AND FREEMEN.

[By John Clark Ridpath, LL. D.]

TO THE MEMORY OF A WORKINGMAN.

He was my father, and is dead. He was a pioneer, a patriot, a humble farmer. He helped to hew down the forest of my native State—the jewel of the Ohio Valley. He cut away the thickets, and joined with his neighbors in casting up a highway and gathering out the stones for the coming day. For companionship he had *Her*—and the children. I stood beside him when he died. I folded his arms across his honest breast, and made a vow.

The long and fatal fever had burned up everything but his hands; they were as big and unconquerable as ever. I said, "He was a toiler—I will take up the task of his hands and the purposes of his heart. He was one of the common people. I also will be one of the common people. I will love them, and honor them, and defend them. I will believe in them as he did, and will trust them. If they ever have a cause, that cause shall be mine. If they have a hope or an aspiration, I will share it. Whoever attempts to injure them, to take away their rights, to oppress them, to enslave them, shall be my enemy—not because I hate him or would do him hurt, but because he is unjust and cruel."

JOHN CLARK RIDPATH.

NEW YORK, September, 1896.

THE BOND AND THE DOLLAR.

I. GENESIS OF A MONSTER.

Thirty-one years ago the American Republic found itself at the end of a great civil war. During that conflict conditions had arisen in the United States out of which the present alarming contest of the people with the money power has sprung. The civil war was the beginning of what we have now inherited. That war was not indeed the cause but rather the occasion and excuse of the great struggle which has begun in earnest in America for the preservation of popular liberty and the restoration of the rights of man.

War preys on two things, life and property; but he preys with a partial appetite. Feasting on life, he licks his jaws and says, "More, by your leave!" Devouring property, he says, between grin and glut, "This is so good that it ought to be paid for!" Into the vacuum of the wasted life rush the moaning winds of grief and desolation; into the vacuum of the wasted property rushes the goblin of debt. The wasted life is transformed at length into a reminiscent glory; the wasted property becomes a hideous nightmare. The heroes fallen rise from their bloody cerements into everlasting fame; the property destroyed rises from the red and flame-swept field as a spectral vampire, sucking the still warm blood of the heroic dead and their posthumous babes, to the tenth generation.

The name of the vampire is Bond. The vampire is a beast that survives and flourishes by sucking the breath and blood of nobler creatures.

On the 1st of March, 1866, the national debt of the United States, entailed by the civil war, reached the appalling maximum of nearly three thousand millions of dollars. In exact figures the sum total was \$2,827,863,959.46. The American people were inexperienced in such business. They had never known the incubus before. Europe had known it, but not America. For a long time the public debt of the nation had been so small as to be disregarded. Now, all of a sudden, with the terrible exigencies of the war, the debt expanded and settled over the landscape like a cloud from Vesuvius, darkening from shore to shore.

So far as the people and the Government were concerned, it was an honest debt. The method and intent of Lincoln and the great men around him in 1862-63 were as sincere and just as they were humane and patriotic. As for the American people, they were always honest. The nation was in deadly peril, and must be rescued at whatever cost. The war was a devouring demon.

With the explosion of every shell the product of a hundred toiling hands was instantly vaporized; for the bomb is not filled, as many suppose, with only powder and iron and death, but with the potatoes and milk and biscuit of mankind. At intervals the expenditure was more than a million, and sometimes more than

two millions of dollars a day. The Government had nothing of its own, did not venture to take anything as its own, and must therefore support itself by loans or perish. Conforming to the method of the age, the nation borrowed from the accumulations of the people, and gave them therefor its promises to pay.

The promises to pay got themselves into a bond.

It is the order of modern society that he who has may lend to him who has not, and receive his own with usury. This principle was adopted by the American Republic in the day of trial. The means necessary for the prosecution of the war were not taken—as the life was taken—but were borrowed. The quadrennium was an epoch of prodigious borrowing. A great part of the lending was patriotic; but much of it, even at the first, was interested, and was mixed with contrivance and ulterior designs.

The currency which had to be provided to meet the startling emergency that had overtaken the American people was, in the nature of the case, made to be a legal tender in the payment of debts. The Government must needs have such a money. All metallic money—as is its invariable habit under such circumstances—slunk away and hid itself in dark coffers, mostly beyond the sea. What did the dealers in gold care for liberty, for the waste of human life, for the Republic, for the Union made sacred by the sacrifices and blood of our fathers?

The merit of the country marched and filled the Union ranks.  
The money of the country marched and filled the English banks;  
At last the war was over—the soldiers ceased to roam—  
They came with bugles playing; the specie sneaked back home!

It was intended by those who first contrived the legal-tender currency that it should be absolute money in the payment of all debts of whatever kind. Thaddeus Stevens, chairman of the Committee of Ways and Means, declared this to be the purpose and intent of the legal-tender act.

The Supreme Court of the United States has since decided by a voice of 8 to 1 that Congress possessed—and possesses—the right and power to make such a money, whether in war or in peace. The validity of the legal-tender act is now as much a part of the constitutional history of the United States as is the abolition of African slavery. But they who were skillful in watching their own interests, even in the throes of our national break-up and impending catastrophe, adroitly contrived that the national currency should have an exception in it in favor of those who should lend their means to the Government. They who should rake such loan should receive therefor a bond; and the interest on the bond—as also the duties on imports of foreign goods—was exempt from the legal tender of paper and reserved for coin.

Thus came the bonded debt of the United States. The debt grew with the progress of the war until it seemed to approach infinity. The nation swayed and struggled through the bloody sea and came at last to the shore. The process of debt making, however, had acquired so great momentum that it was difficult to get it checked and reversed. In the summer of 1865 the soldiers of the Union Army were mustered out and remanded to their homes. By August the work was done; the grand Army was no more; but such was the confusion that for fully six months longer the expenditure rolled on without abatement.

The great question which confronted the nation at the beginning of 1866 was the management of the debt. There were bonds galore; a seven-thirty series of two hundred and fifty millions, by act of July 17, 1861; then five hundred and fifteen millions of five-twenties, by the act of February 25, 1862, becoming more than twelve hundred millions by subsequent issues; then ten-forties in several series—7.3 percents, 6 percents, 4.5 percents, 4 percents; plain bonds at the first and coin bonds finally; short loans and long loans and longer loans, but always becoming longer, until a measure of calm ensued, and the nation found opportunity to take account of its losses and consider the question of payment.

2. GOVERNMENTS PREFER PROPERTY TO LIFE.

If governments had the same care for the life of the people as for the property of those who possess property, then national debts would not be made, or at least not perpetuated, by the event of war. It had been an act of infinite mercy on the part of the Government of the United States in that day to take directly whatever was necessary, as it did take whatever men were necessary, for the suppression of the rebellion. That course would have ended it. Had that almost unprecedented policy been temperately and successfully pursued, the cost of the war would hardly have been one-fifth of what it has become; the bond would never have existed; the wealth of the people would not have been concentrated in the hands of a few; the present harrowing and dangerous conditions of American life would not have supervened, and the victorious defense of the Union would long ere this have become a glorious and unclouded reminiscence.

Neither shall anyone truthfully aver that making war without making a national debt is an absurd vagary. That would be to condemn as a financial quack no less a personage than William E. Gladstone. Mr. Gladstone is, without a doubt, the greatest



statesman in finance that England has produced within the present century. It has been the one ruling and undeviating principle of his policy, alike in peace and in war, to make the annual revenues under all circumstances meet the annual expenditures of the Empire. He began to battle for this principle in 1853, when, as chancellor of the exchequer, he had to provide the means for the prosecution of the Crimean war. On this question he and Disraeli divided forever. The former proposed to provide the means of war by increasing the annual revenues; the latter proposed to borrow.

Mr. Gladstone did adopt the method of paying as he went, and held to it until the overthrow of the Aberdeen ministry. He stoutly affirmed in presenting his first budget that, war or no war, the national debt of Great Britain should not be increased, but that the cost of supporting the British army in Asia should be met year by year by an increase in the income taxes and excises. This policy was supported by the Prince Consort, who declared it to be "manly, statesmanlike, and honest;" the policy of borrowing the Prince characterized as "convenient, cowardly, and perhaps popular." He ought to have added suicidal. As long as Gladstone remained in office, he forced the revenues to meet the expenditures within the year. His principle through life has been, in every emergency, not to borrow, but to tax—that is, to take.

Strange it is, however, that our vaunted and vaunting civilization, even to the present day, prefers property to man. It exalts the one and tramples on the other. In this particular we have been even as the rest. Judging by the facts, there is no government on earth to which its mules are not dearer than its men. Strange, too, that whoever appeals on behalf of the man as against the mule, and urges the protection of the one at the expense of the other, is held to be an enemy of society. Property in this particular having no conscience, or only the conscience of being always in the wrong, fortifies itself with every casuistical and fallacious argument known to the category of self-interest, and puts down both the man and his advocates.

The "sacred rights of property," meaning the right of something that belongs to life to seize that life by the throat and strangle it, are promulgated and upheld with constitution and statute and bayonet; while the "rights of man," so much in vogue in the great epoch of regeneration at the close of the eighteenth century, are, at the close of the nineteenth, positively under the ban in every civilized state of the world. According to the plutocratic lexicons of at least two continents, the "rights of man" have come to signify merely anarchy.

#### 3. THE BOND MAKES A POLICY.

Our staggering nation arose and stood. The horizon cleared. The Government of the Republic was preserved for posterity. It found itself, however, in the grip of a python, from which, after thirty-one years of writhing, it is less able to free itself than ever before since the close of the conflict. In the course of the war and just afterwards, it was discerned by those who held the national debt, as it had been discerned by some of them from the beginning, that it was a good thing for the possessors. A great interest had been created by the battle of the National Union for its life—the interest of the bond.

It were vain to conjecture how many sincere patriots found themselves possessors of the interest-bearing obligations of the nation. For all such there is no animadversion, but rather praise. It were equally vain to conjecture how many held those obligations simply for the profit and advantage and power that were in them, and with no concern about the welfare of the Government or of the people of the United States; but the latter class, whether many or few, increased, and the former class decreased, until the fund-holding interest was consolidated in the hands of a party having its bifurcations in New York and London.

The party of the bond became skillful and adroit. It began immediately to fortify itself. It took advantage of the inexperience of the American people and of their legislators. It profited by the mistakes and misplaced confidence of both. They who held the bonds were wise by ages of training in the Old World and the New. They understood the situation perfectly, and adopted as their method a policy embracing two intentions: First, to perpetuate the bond and make it everlasting by the postponement and prevention of payment; second, to increase the value of the currency in which all payments were to be made; that is, to increase the value of the units of such payments as the payments should become due, so that whatever might be the efforts of the people to discharge the debt, it should increase in value as rapidly as they could reduce it. And the honest people, abused to the soul by the politician and by Shylock, knew not that it was so.

#### 4. BEGINNING OF THE GREAT GAME.

For thirty-one years this game has been persistently, skillfully, and successfully carried out. It has been a play worthy of the greatest gamblers that ever lived. We do not call to mind any other such stake among the nations as that placed upon the issue;

and the bond players have won on every deal. They have succeeded on both counts of their policy. They have turned over the debt into new forms of bond, and these again into newer, under the name of refunding, persuading the people that the process was wise and needful, and cajoling them with the belief that the rate of interest was each time reduced for the benefit of the nation. It was done "in the interest of the people." We, the holders of the bond, being patriots, labor only for the interest of the people.

It is true that each act of refunding and transforming the national debt has lowered somewhat the nominal rate of interest; but at the same time it has lengthened the period of payment. At the beginning the date of payment was at the option of the Government. Then it was at five years from the making of the bond; then it was at ten years; then at twenty years; then at thirty years. Now the period of possible payment has been extended until the second decade of the next century can not witness the end of the game. If the Treasury should have to-day, or in the year 1900, a surplus of six billions of gold, the Government could not call and cancel its bonds. They were not made to be called and canceled, but to be refunded and perpetuated.

Besides, the reduction of interest has been a reduction only in name. In no case has the reduction been made until the value of the dollar of the payment has been so enlarged as more than to balance the reduction. The same thing is true of the payment of principal as well as the payment of coupon. For thirty years the American people have been pouring into that horrid maelstrom the volume of their great resources. They have paid on their debt, or at least they have paid, in this long period, such a prodigious sum that arithmetic can hardly express it. The imagination can not embrace it.

The people have never known, never realized, the incalculable sums which have been paid out of their Treasury in the ostensible work of discharging the interest and principal of the war debt of the nation. Some time, perhaps, the final aggregate may be made up and historically recorded. Within the first ten years after the conclusion of the war—that is, at the close of the fiscal year 1874-75—the Government had already paid, in interest only, on the public debt \$1,442,057,577. And this was but the beginning. At the close of the year 1895 the interest account has reached the prodigious total of more than \$2,635,000,000.

#### 5. THE NATIONAL DEBT IS WORTH MORE THAN EVER.

We thus come to a conclusion that is appalling. It is the truth of the living God that in the year 1896, at the close of summer, the national debt of the United States, in its bonded and unbonded forms, will purchase as its equivalent in value as much of the average of twenty-five of the leading commodities of the American market, including real estate and labor, as the same debt would purchase at its maximum on the 1st of March, 1865. The people have paid and paid for thirty years, and at the end have paid just this—nothing!

We shall not omit the proof. The verification of the astounding truth that the people have paid and paid and paid nothing is as plain and irrefragable as any other arithmetical result.

On the 1st of March, 1866, the national debt (being then at its maximum) was, in exact figures.....	\$2,827,848,959.46
For the sake of easy computation, the same may be stated.....	2,825,000,000.00
The debt at the end of July, 1896, was.....	1,222,312,984.40
For convenience of counting, the same may be given in round numbers as.....	1,122,000,000.00
To this add 10 per cent (a very low estimate) for the present average premium on the debt (interest bearing and non-interest bearing) above the par of gold.....	122,000,000.00
Total present gold value of the debt.....	1,344,000,000.00

On the 1st of March, 1866, the prices current of nine leading staples of the American market, selected broadly from the whole, were as follows:

Wheat, per bushel, from \$1.75 to \$2; average.....	\$1.90
Flour, per barrel, \$10.50 to \$11; average.....	10.75
Cotton, per pound.....	.48
Mess pork, per barrel.....	28.37
Sugar, per pound.....	.1125
Wool, per pound, 50 cents to 55 cents; average.....	.53
Beef, per hundredweight, \$12 to \$18.50; average.....	15.25
Bar iron, per pound, 6 cents to 7 cents; average.....	.0675
Superior farming lands in Ohio and Mississippi valleys (approximately), per acre.....	75.00

At the close of summer, 1896 (figures for August 20), the prices current for the same staples were as follows:

Wheat, per bushel.....	\$0.55
Flour, per barrel.....	3.25
Cotton, per pound.....	.075
Mess pork, per barrel.....	6.25
Sugar, per pound.....	.1225
Wool, per pound.....	.15
Beef, per hundredweight.....	7.50
Bar iron, per pound.....	.02925
Superior farming lands, same as above, in Ohio and Mississippi valleys (approximately), per acre.....	35.00

The national debt on the 1st of March, 1866, would therefore purchase of the above staples as follows:

Of wheat.....	bushels.....	1,486,842,105
Of flour.....	barrels.....	262,790,697
Of cotton.....	pounds.....	5,885,416,666
Of mutton.....	barrels.....	90,576,313
Of sugar.....	pounds.....	25,383,348,314
Of wool.....	do.....	5,330,188,679
Of beef.....	hundredweight.....	181,967,213
Of bar iron.....	pounds.....	41,851,851,851
Of superior farming lands as above (approximately).....	acres.....	37,696,096

The national debt at the end of August, 1896, will purchase of the above staples as follows:

Of wheat.....	bushels.....	2,443,691,639
Of flour.....	barrels.....	413,538,461
Of cotton.....	pounds.....	17,629,000,000
Of mutton.....	barrels.....	215,040,000
Of sugar.....	pounds.....	41,353,846,154
Of wool.....	do.....	8,960,000,000
Of beef.....	hundredweight.....	179,200,000
Of bar iron.....	pounds.....	45,948,717,417
Of superior farming lands as above (approximately).....	acres.....	38,400,000

The purchasing power of the national debt at the close of 1896 is therefore greater than was that of the national debt on March 1, 1866, as follows:

In the case of wheat by.....	bushels.....	956,794,231
In the case of flour by.....	barrels.....	150,748,164
In the case of cotton by.....	pounds.....	12,034,583,533
In the case of mutton by.....	barrels.....	115,463,587
In the case of sugar by.....	pounds.....	14,550,497,840
In the case of wool by.....	do.....	3,620,817,321
In the case of bar iron by.....	do.....	4,006,865,566
In the case of farming lands as above by (approximately).....	acres.....	733,333

The purchasing power of the national debt at the end of summer, 1896, is less than it was on the 1st of March, 1866, as follows:

In the case of beef by.....	hundredweight.....	2,767,213
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From the calculation it is seen that the purchasing power of the debt at the end of summer, 1896, is far greater than it was on March 1, 1866, on eight of the nine great staples enumerated, and that it is less by a comparatively small per cent on only one of the articles enumerated. There is an overwhelming preponderance on the average of the whole list in favor of the debt as it stands at the close of the current summer. That debt, in a word, is worth more to the holders than it was at its nominal maximum more than thirty years ago. There is no kind of sophistical argument or doctored statistics in the world that can overcome or seriously modify the conclusions here drawn from premises that are incontrovertible. Let all men know it.

Let the world know it. Let the common man ponder this appalling statement of an undeniable truth. Let our national authorities know it. Let the leaders of every political party have it shouted in their ears. Let every Administration that has been in power from the first of Grant to the last of Cleveland be told in trumpet voice that the publications put forth from month to month as statements from the Treasury about the reduction of the national debt by the payment of three millions or seven millions or ten millions have been essentially and utterly false. True it is that the debt has been nominally reduced according to the publications; but it has never been so reduced until, by the contrivance of those who possess it, the purchasing power of the currency in which the debt was to be paid has been augmented fully as much as the equivalent of the payment!

Thus from month to month and from year to year the astounding process has gone on. And thus from year to year the judgment of the American people has been abused with the iteration and belief that they were paying their debt, when in truth all the multiplied millions on millions and thousands of millions (literally, more than five thousand millions) which they have paid have been simply contributed to the fund-holding class, whose claim, after a lifetime, is worth as much as it was at the beginning. The resources of a great people have been poured, like a roaring river, into a sinkhole that has swallowed all; and the golden streams of the contribution have issued silently through a thousand unseen spouts into the private reservoirs of the holders of the debt.

#### 6. FAR-REACHING SCHEME OF THE FUND-HOLDING INTEREST.

The policy of the fund-holding interest has thus simplified itself into (1) the indefinite extension of the bond, and (2) the manipulation of the dollar. To the extent that the first part of this policy has prevailed, the United States has been remanded to the same category with the nations of western Europe having their perpetual bonded debts. To the extent that the second part of the policy has prevailed, the people of the United States have been continuously robbed of their resources for nearly the full period of a human life. In the meantime the people have been familiarized with the proposition—put forth timidly at first—that a national debt is a national blessing. It furnishes the cement—so runs the patriot song—whereby the moneyed classes are bound in devotion to the Government and become a part of it as in England; thus the Government is made strong and enduring.

Meanwhile the various refundings have been celebrated in political psalm as marvels of finance. By the organs of the party in

power one-half of the people have been led to believe that the national honor is preserved, the national faith made good, and great economy manifested in those manipulations of the bonds by which, series after series, the longer have been substituted for the shorter. The other half of the people, who would have discovered the bottom intent in the process and thwarted the scheme at the next election, have been prevented from doing so by the fact that their organs and leaders have had a common interest with them of the dominant faction. Several Secretaries of the Treasury have been made into great financiers by becoming the willing clerks of the fund-holding class in these delicate and beautiful processes by which the national debt is to be made everlasting, with the accompaniment of popular applause.

But the extension of the bonded debt and the hope of its eternal life were not the principal concern of those who obtained possession of it. Their imaginations were not, indeed, much dazzled with the prospect of having the bond merely perpetuated, because men who are engaged in such schemes rarely look beyond the limits of their own lives. It sufficed, therefore, that the bonded debt should be lifelong, with the hope of another avatar. That secured, the undivided energy of those who had secured it might be directed to the manipulation of the dollar; and it is safe to assert that the skill developed in this part of the bondholding policy has never been elsewhere shown by men.

The complete history of the processes by which, with contraction and substitution, the dollar to be employed as the standard of payment in the discharge of the private and public debts of the people of the United States has been gradually and adroitly lifted from one valuation to another, until within thirty-one years (1865–1896) its purchasing power has been increased to the ratio of more than 3 to 1, could never be written or recited. It surpasses human credulity. It goes beyond the average range of mortal invention and fixes itself in the category of the diabolical.

#### 7. TO CHANGE THE CONTRACT IS A CRIME.

To change a contract has always been regarded as a crime. The nations of antiquity legislated strongly against the principle and practice of altering the existing agreements of men. Even savages perceive the utter immorality of tampering with a pledge or promise. To change a contract is perfidious. To do so is a gross violation of the bottom condition on which human society exists, or can exist. What is left when good faith disappears from the conduct and purposes of men? When the individual alters a note and writes in more or less, the law calls it forgery, and the forger is sent to prison. This is true even in the small personal violations of contract between man and man.

The contract is sacred and must be fulfilled, else there is an end of the social compact. What, therefore, shall we say of the fraudulent and covert alteration of all contracts by changing the units in which such contracts are to be fulfilled, substituting, by national authority, a new unit or counter worth more than three times the unit or counter agreed upon and promised? Such a process is, as Lincoln declared it to be, "a heinous crime against the people," a sin against mankind.

For a long time the subtle work of extending and transforming the bond and at the same time of raising the value of the dollar of payment was so easily and noiselessly effected that the people did not awake to the realization of the thing done until it was done. The class in whose interest the various changes have been made have been enabled to coddle some, to hoodwink others, to corrupt many, and to terrorize a multitude. We have seen those who have been aroused to the pitch of denouncing and exposing the giant fraud of the century, turn about and decry as repudiators, enemies of the national credit, and disturbers of "the business interests" of the nation, the true friends of public honesty and good faith among men. At least two Secretaries of the Treasury have exhibited to mankind that species of tergiversation which, in the administration of a high office, can hardly be distinguished from treason to the human race.

Let us then for a moment trace the principal changes that have been effected in the dollar of account and payment under the dictation and management of the money power and with the cheerful acquiescence of several conniving Administrations. In the first place, the great body of the bonded debt of the nation was purchased in the time of the war with the legal-tender paper money to which the Government had been obliged to resort. It was not purchased with gold, for gold had fled to covert. There has been no other traitor to the American Union and to the liberties of the people comparable in his perfidy with gold.

#### 8. COWARDICE AND PERFDY OF GOLD.

With the rising portent of war specie fled like a coward before the first blast of battle. Within ten days after the secession of South Carolina and ten days before the *Star of the West* was fired on in the harbor of Charleston every bank in New York suspended specie payments, leaving both people and nation to their fate. If we had been obliged in that day to rely upon metallic money of any kind to carry forward the tremendous work of saving the



Union, then of a certainty the American Republic would have been blown to fragments and the residue of our liberties would have been cast out on the ash heap of history.

This undeniable truth was recognized then as it is undisputed now. The efficiency of the greenback currency in the suppression of the rebellion has never been, can never be, denied or overestimated. Twelve years after the war, Hon. William D. Kelley, of Pennsylvania, addressing an assemblage of ex-Confederate officers at Macon, Ga., said: "Your leaders were mistaken in their financial theory. They believed that the United States could use nothing but gold and silver as money, and that as we had none of these metals, we could not put armies in the field to overwhelm you or fleets upon the ocean to blockade your coasts. Your leaders had not studied the Constitution to see that the Government has control of the question of what shall be money. We discovered that it had, and when we could not get gold or silver we made the greenback, and it was that that whipped you." "Yes," said one of the officers with enthusiasm, "Judge Kelley, you are right; it was the greenback that whipped us." This is the currency that Shylock is now trying to have canceled because it is so great a menace to the interests of the people. He desires to have the legal-tender currency destroyed in order that money sharks may be prevented from using that currency to deplete the National Treasury of its gold and in order that his own patriotic hands may be restrained from further robbery. Shylock is excited and wants to be held. The hypocrisy of such a pretense is beyond the reach of satire.

It is literally true that the great rebellion was suppressed and the Union upheld by the expedient of the noninterest-bearing paper money devised in the presence of the overwhelming exigency of war and dismemberment. The precious metals dived out of sight. The world knows the story. The United States went upon a basis of paper. For four years of war and fourteen years of peace the finances of the nation and of the people in their private capacities were conducted on a legal tender of paper. Metallic money and the money metals rose rapidly in value, or at least in price. Now gold was at a premium of 30 per cent; now 50 per cent; now 100 per cent; and finally 185 per cent above par. Gold and silver money became a tradition and a myth. The people neither knew nor cared what had become of them.

Owing to the nefarious exception in the legal-tender currency in favor of the interest on the public debt and duties on imports, a gold exchange was organized in New York, and gold was bought with which to pay the semiannual coupons of the bonds and the duties on imported goods. Trading in gold and in the speculative margins of gold became a business, in some sense the greatest of all the businesses; certainly it was the most picturesque.

#### 9. THE WAR DEBT MADE ON A BASIS OF LEGAL TENDER.

It was under these conditions that the great bulk of the national debt was put into the form of bonds. The bonds were purchased with the legal money of the country. They were purchased at par according to the standard of the greenback currency. The advantage in purchasing them was generally given by the Government to the purchasers. Already the bondholder was a lord and the Government a serf and beggar. Inducements were freely offered to stimulate the sale of the bonds. Payments were made easy; slight discounts were not unusual; interest was sometimes advanced to purchasers, and many other methods were adopted to make the sale of the national securities free and copious. Finally, the purchaser of bonds to the value of \$50,000 might receive as a gratuity \$45,000 in paper money, and with that establish a bank of issue, discount, and loan.

In this manner the national debt became a bond, and out of the bond sprouted a thousand banks.

From that day to the present the bond industry has been the one ever-flourishing, permanent, and deep-down industry, not, indeed, of the American people, but of the class who hold the national securities and live by them. This industry has combined with the leading political parties, and until recently has made and kept them a unit for more than twenty years. This industry has insinuated itself into the Government and has become the energizing and controlling force in the public life of the nation; and before it all other industries have been compelled to stagger and bend and break until the bond not only rules but reigns.

#### 10. WHAT THE BONDS COST.

No one has ever calculated with certainty the average cost of the Government bonds to the original purchasers. To do so is a complicated problem. They were of many series, extending over a span of years, and were bought at different crises, when the premium on gold was rising or falling. The higher that premium rose, the cheaper the bonds were, as tested by the measurement of gold.

The debt-making epoch of the civil war covered a period of four years ten months and nineteen days. The middle date of this period was September 9, 1863, but by far the greater part of the debt was incurred after that date. The premium on gold

reached 50 per cent on December 14, 1863, and remained above that figure for one year three months and twenty-seven days, covering the period of greatest debt making. Gold reached 200 on the 21st of June, 1864, and remained above 200 until February 22, 1865. It reached the topmost figure of 285 on the 12th of July, 1864. The dealers in bonds called it a "flurry in gold." This was the period of the maximum debt making. The legal-tender currency, with which the bonds at that crisis were purchased, was worth 35 cents by the gold standard. It was the very heyday when the bond nest was feathered for the laying of the golden egg.

By the measurement of gold it is probable that the average cost of the "five-twenties" to the purchasers was not more than 55, or certainly not more than 65 cents to the gold dollar. Nearly all the other series were purchased at a like enormous discount, as tested by the standard of coin. In the sale of the bonds, before the debt reached its maximum in March of 1866, the standard of the legal-tender paper was uniformly observed. It was by the common measure of the money of the country that the whole original debt was sold, and mostly by that measure that it was funded and refunded for at least fourteen years after Appomattox. But the mythical gold barometer kept in the safe in Lombard street, in London, showed that the purchases of the bonds were actually made at prices ranging from about 46 to 70 cents to the coin dollar.

#### 11. PROFOUND INTRIGUE OF THE BONDHOLDERS.

By the close of the war the seven-thirty bonds were already falling due. The "five-twenties" would be due in a short time. That is, in a short time the Government would have the option, but not the necessity, of redeeming them. And now it was that the fund-holding interest put itself in antagonism to the national welfare, and conceived the project of doubling its investment at one stroke by compelling the payment of all the bonds in coin. They had been purchased on the basis of one currency. That currency was worth only about half as much, unit for unit, as the mythical metallic currency which had now become only a reminiscence. Or, to put it the other way, the phantom metallic currency was worth at least two for one of the currency of all business, of all manufacture, of all production, of all accounting; that is, two for one of the currency of the people and the nation. The holders of the bonds perceived that if, under these conditions, they could secure a statutory declaration of the payment of both principal and interest of the 5-20 bonds in coin, then they would have gained, at the expense of the overburdened nation, not only the principal and the legitimate interest to which they were entitled and which ought to have satisfied, but also about two for one on their whole investment.

The stake was worthy of the trial. The game might well be played with all the skill and intrigue and specious formality of which human nature is capable. On one side of the table sat the representatives of the bond; on the other side sat the American people, and the bond won. By the act of March 18, 1869, entitled "An act to strengthen the public credit," etc., but which ought to have been entitled "An act to transfer the resources of the American people to the hands of a few under sanction of law," it was decreed that the bondholder should have his two for one; that the five-twenties and all like obligations of the Government, whether they were or were not by their own terms payable in coin, should now be made so payable; that the national credit required that a bond which had been purchased in one currency should be paid in another currency worth twice as much; that the property loaned to the Republic for the suppression of the rebellion should be returned twofold, besides the interest; that the holder of the national obligation, in addition to being preserved whole and harmless, should be enriched by law at the expense of the people; but that the widow who had given her four sons to her country, and had followed them one by one to their last resting places under the apple trees in the orchard, should receive back nothing but weeds and that celestial sorrow which transfigured her face evermore into the face of an angel.

At the time when the "act to strengthen the public credit" was passed many leading statesmen knew what it was calculated and designed to accomplish. Among these was Senator John Sherman, of Ohio. Addressing the Senate on the 27th of January, 1869, just before the passage of the act, and speaking of the prospective legislation, he said:

Sir, it is not possible to take this voyage without sore distress. To every person except the capitalist out of debt, or the salaried officer or annuitant, it is a period of loss, danger, prostration of trade, fall of wages, suspension of enterprise, bankruptcy, and disaster. \* \* \* It means the ruin of all dealers whose debts are twice their capital, though one-third less than their property. It means the fall of all agricultural productions, without any very great reduction of taxes.

Even so. The Senator was right. This cold-blooded proposition of Sherman means, when reduced to an example, simply this: Every young and aspiring man in the United States, just beginning life with wife and child and home, having \$500 in money (his

pay for service in the army), a home worth \$1,500 dollars, and a debt of a thousand dollars, will be inevitably bankrupted! The calculation of the Senator was correct.

#### 12. FIRST LEAGUE OF THE GOVERNMENT WITH THE MONEY POWER.

Thus it was that on the 18th of March, 1869, the Government of the United States made its first league and covenant with the fund-holding interests against the people. By the terms of that league the millionaire who had given a hundred thousand dollars for a bond of the same denomination should receive back, true enough, a hundred thousand dollars, but should receive it in units of another kind worth about two for one.

From that day, distant from the present by more than twenty-seven years, there has been no deviation or shadow of turning on the part of entrenched intrigue to carry out the compact. Year by year the bolts and bars have been driven ever further and deeper with blow on blow of the sledge of the money power, until the national fraud has been glorified under the name of honor and the wholesome truth nailed in the coffin of contempt. Each succeeding Administration has been even as its predecessor, but more so in its devotion to the bondholding interest at the expense of all besides.

The fact that the interest on the 5-20 bonds was by specification payable in coin shows conclusively that the body of the bond was payable in the lawful money of the country. Else why the specification as to how the interest should be paid? If the body of the bonds were payable in coin, it had been the sublimated absurdity of the century to specify that the coupons should be paid in coin also. What kind of bond would that have been the principal of which was payable in coin and the coupons in legal tender? And besides the reason and very nature of the thing, authority abounds to show that the five-twenties were by the sense and intent of the contract payable in the lawful money of the country. John Sherman himself is one of the witnesses of the general understanding, which was the only understanding consistent with truth and common sense. In a letter to Hon. A. Mann, of Brooklyn, N. Y., written on the 20th of March, 1868, Senator Sherman said:

DEAR SIR: I was pleased to receive your letter. My personal interests are the same as yours, but, like you, I do not intend to be influenced by them. My construction of the law is the result of careful examination, and I feel quite sure that an impartial court would confirm it if the case could be tried before a court. I send you my views as fully stated in a speech. Your idea is that we propose to repudiate or violate a promise when we offer to redeem the principal in legal tender.

I think the bondholder violates his promise when he refuses to take the same kind of money he pays for the bonds. If the case is to be tested by law, I am right. If it is to be tested by Jay Cooke's advertisement, I am wrong. I hate repudiation or anything like it; but we ought not to be deterred from doing what is right by the fear of undeserved epithets. If under the law as it stands the holders of the five-twenties can only be paid in gold, then we are repudiators if we propose to pay otherwise. If the bondholder can legally demand only the kind of money he paid, then he is a repudiator and extortioner to demand money more valuable than he gave.

Yours, truly,

JOHN SHERMAN.

Having by the act of 1869 secured the declaration of the payment of the national debt in a currency different from the currency of the contract, the next step was that of lengthening and perpetuating the bonds. If the bonds, now payable in coin, were good for ten years or twenty years, then they would be better for thirty years or forty years to run. Nor will the Government now be so eager to pay when payment in coin is impossible. The people can now be made to believe, what is true, that the Government can not for the present pay our bonds. They must therefore be extended. Great financiers will be who can sell us a 5 per cent bond with an extension of ten years, and take up a 6 per cent bond which is falling due. That is the process of refunding in a nutshell, and that requires the gigantic intellect of some great Secretary to do it. We, the beneficiaries, may hold out to him the impossible prospect of being President—if he will do the work well.

#### 13. THE BUSINESS OF REFUNDING BEGINS.

The history of the various refunding operations by which the short high-rate bonds of the Government sold during the war period were translated into long lower-rate bonds is but the record of a scheme which was contrived by the bondholders themselves, ratified by an undiscerning Congress, and carried into execution by the Treasury Department of the United States, with the ulterior design of preventing payment by lengthening the time to run, and with the still further hope of making a perpetual interest-bearing fund, in the European manner.

The first measure passed by Congress with this intent was the act of July 14, 1870, entitled "An act to authorize the refunding of the national debt." This act reaffirmed the proposition that all the bonds of the United States were redeemable, both principal and interest, in coin, and authorized the Secretary of the Treasury, as such bonds, series after series, should fall due—that is, reach the date at which the Government had the option of redeeming them—to prepare and sell new bonds, extending the time to run and lowering the nominal rate of interest. Under this act the process of refunding was carried on by those interested in it as

actively and earnestly as though it were a manufacturing industry, until all the bonds were extended and most were made as long as the current lives of men. Then the work abated, partly because of the weakness of all posthumous inducements, and partly because by this time certain symptoms of alarm and jealousy were noted among the people.

As much as two years before the passage of this refunding act, the people began to show signs of distrust at the maneuvers of the fund-holding classes. The popular suspicion was manifested in the declarations of the political platforms of both parties in 1868 in the greater part of the country. The sentiment of the people, always true, even when overborne by their masters, was overwhelmingly in favor of the honest payment of the five-twenty bonds; that is, in favor of paying them in the same currency with which they were purchased. That currency had already appreciated in its purchasing power about 30 per cent. In the central United States the Republican platforms in the year just named were generally unequivocal in indorsement of the proposition to pay the five-twenties in the legal-tender money of the country. In the writer's own State in that year, the platform, written and reported by the veteran Republican platform maker, Hon. Richard W. Thompson, afterward Secretary of the Navy in the Cabinet of President Hayes, was as follows:

The public debt made necessary by the rebellion should be honestly paid; and all bonds issued therefor should be paid in legal tenders, commonly called greenbacks, except where, by their express terms, they provide otherwise.

On this platform Senator Oliver P. Morton, of great fame and equal honesty, carried the State by a heavy majority for himself and General Grant in the fall of 1868. Within six months from that time, however, he yielded or was conquered; and in yielding lost the ambition of his life. The titanic knees of that great and resolute man, little acquainted with the common use of pregnant hinges, were broken, not, as the people supposed, by paralysis, but by the bludgeon of the money power.

The national bonds had by this time become the most profitable of all investments. Of all the forms of property, they were the most exempt from hazard, most convenient, and most strongly fortified by law. They offered themselves, however, only to the surplus accumulations of capital. The man of moderate means must needs employ his whole resources in the business to which he devotes his energies. When capital accumulates in large amounts, and there is no such thing as a national bond in which it may ensconce itself and begin to grow, such capital must of necessity offer itself for the promotion of legitimate, productive manufacturing and commercial enterprises. It must under such conditions do something useful for mankind; but where the bond exists, surplus capital takes the form of the bond by preference of all other enterprises, and to that extent all other enterprises languish and weaken for their wonted stimulus.

#### 14. CONCEPTION AND EVOLUTION OF THE GREAT CRIME.

By the beginning of the eighth decade thus much had been accomplished: The fund-holding interest had confirmed itself to the extent of getting a long bond for a short one, with the guaranty of payment of both principal and interest in coin. The next point attained by the bondholding power—for it had now become a power—can hardly be touched upon with equanimity. The coin of the United States existed in two kinds, silver and gold. Should the Government ever again reach the basis of specie payments, the debtor would have the option of paying in the one coin or the other, according to his convenience and the plentifulness of the given kind.

This option constitutes the essential element of bimetalism. That it could be taken away from the debtor seems in the retrospect a thing so monstrous as to be incredible. It was a valuable option which the debtor in the United States had held unchallenged from the foundation of the Government. No creditor had ever tried to take it from him. It had never been denied or questioned by any. It had always been cheerfully conceded down to the time of the civil war, when an unforeseen condition removed all coin and put the country, as we have seen, on the basis of a legal-tender paper money.

Now that coin was again in sight, or was supposed to be coming in sight; now that the Government had declared its purpose to pay the national debt in coin, though that debt had been contracted on a basis of paper, it might reasonably have been supposed that the bondholding interest would be contented with that enormous concession, and, being thus glutted to repletion, would seek no further extortion from the American people. But, on the contrary, the monstrous scheme was conceived of destroying the option of the debtor to pay in silver by destroying the coin unit of that metal, thus reducing the debtor—all debtors, including the Government of the United States—to the necessity of paying in gold only.

This scheme was not only conceived, but was contemplated with equanimity, not indeed by the people, but by those whose interests were so profoundly concerned. In the last session of the Forty-second Congress the question was insinuated into legislation, but was housed from the public with a skill worthy of the



noblest cause. It was already the plan of the conspirators to have an act passed by Congress as soon as possible, declaring a date at which specie payments should be resumed in the United States. But, preliminary to such declaration and as an antecedent thereof, it was seen to be advantageous to tamper with the coin dollar in which payment was to be resumed.

For the time being and for some years to come—so ran the bondholders' dream in 1873—the Government of the United States and the people alike must continue to prosecute their business on the basis of the paper legal tender; but in the future, as we, the financiers, clearly perceive, another dollar—that is, a metallic dollar—is to be substituted for this legal tender of paper, and it is to our interest to have that other dollar as valuable as possible. We will not only go to the length of substituting a metallic dollar still worth a premium of from 30 to 50 per cent for the current dollar of the country, but we will go further than that, and tamper with the metallic dollar itself, so that that also may ultimately, in some twenty years, be worth two for one! We will take away, if we can, by some process, the optional dollar now constitutional for eighty-one years in the United States, and will place in its stead a dollar in one metal only—a metal that we know, from its scarcity and from our ability to corner it in the markets of the world, must rapidly, under such conditions, appreciate in its purchasing power, all the time hiding its own fallacy, while at the same time the discarded metal, being disparaged and abolished, must lose its quality as primary money and be driven gradually into the relation of subsidiary coin and mere merchandise.

Words are inadequate to describe the profundity and criminality of this scheme. It was carried into effect by the act of February 12, 1873. It was done by a turn of Shylock's wrist, so adroit, and one might say devilish, as to be indescribable in the phraseology of this world. It was an act on which no king of the seventeenth century would have ventured without incurring the risk of revolution. It was an act which, instead of being misrepresented by those who have found it out and nailed it to the gibbet of public contempt, has never been adequately denounced. It was an act which has positively blackened the honor of the American Republic. It was an act which, though subsequently defended even to the present day by the ingenuity of great men and by all the purchasable ability of the world, is nevertheless condemned by the conscience and common sense of mankind as the most cold-blooded, unjust, uncalled-for, unmitigated, and damnable outrage ever done in this century to the rights and interests of a great people.

Already in Europe the nefarious work had been begun. The bimetallic system of currency in use in the States of the Latin Union had been sapped and mined and the free coinage of silver in those States suspended before the like result was reached in America. But the intrigue involving both Europe and America was on, and the managers in the United States went carefully forward to success.

#### 15. WHAT DID THEY DO IT FOR?

What did they do it for? That is the question. The men who engineered the act of February 12, 1873, from which such disastrous consequences have flowed, had some motive in view. What was it? The scheme did not engender itself, but was contrived with some end in view. Nobody demanded or expected or imagined the possibility of the passage of such a measure as the demonetization of silver. To say that the managers had no end in view is to say what the American people do not believe and what history, being rational, will not record.

As to the bottom motive; then, of this act of 1873, let it be written in black. The promoters of the iniquitous measure have seen fit to complain of the estimate in which their work is held by the American people. They complain that they themselves are harshly and unjustly judged. They complain that millions of men who have lost their homes and had their prospects in life blasted by the act of 1873 persist in calling it a crime. They try to laugh it away by repeating in mockery the words with which the infamous measure is stigmatized by the roused-up nation.

But why do they complain and wince? It is because the act of which they are the authors can not be explained away by any reasonable or even plausible hypothesis of honesty and good faith on the part of its inventors. There is no interpretation of the thing done that will satisfy the common sense of the American people. What reason or motive or explanation can the authors of that act ever make as an apology to the world? They have had twenty-three years in which to find or invent an answer; but no studied reflection or ingenious afterthought has been able to suggest a plausible, to say nothing of an honest, motive for the act of 1873. What did they do it for? That is the question which they must answer.

Here lies the world weltering in industrial and commercial ruin. Here are the sorrows of a great nation unassuaged. Here is tremendous America prostrate under the invented and purposed curse of men. What have the authors and inventors of the curse

to say in justification of their deed? Virtually nothing. They say that the demonetization of silver was not a crime. They say it was innocent. They say it was not demonetization at all, but only a little amendment of the coinage. They say that the act was only incidental—a sort of half-playful circumstance of patriotic legislation, harmless in its conception and pure in delivery. They say that the measure was understood, that it was debated, that it was sent back to committee and born again, that some men voted for it and others against it. They say every irrelevant and inconsequential thing imaginable about the act of 1873, but they avoid the one essential question, and that is, What was the bottom reason or motive for such legislation? What did they do it for? They say not for this and not for that. Well, then, what for?

The truth is that the authors and promoters of the act of demonetization can offer no explanation or reason for it except an explanation that does not explain or a reason which admits the crime. The real motive of that act was the ulterior purpose—the covert design—of destroying one-half of the primary money of the world. It was a project filmed over with intrigue to reduce silver—the old-time money of mankind—from its place as a precious metal to common merchandise. The gold-producing nations were in the scheme, and America was hoodwinked.

The authors of the measure planned to destroy one-half of the money resource of the world, and thus to double the purchasing power of the other half. The intrigue was to put upon gold the entire monetary office; to change every contract in the United States; to make every debt worth twice its face, and to divide by two the resources and strength of every workingman under the circle of the sun. It was a far-reaching and profound scheme to halve the price of every gift of nature and every product of human industry in the world and to compel the payment of every debt with a measure of two for one.

The real authors of this scheme understood it perfectly well. They knew what they were about with their "harmless accident of legislation!" But Congress as a body did not know the thing intended; the country, the nation, knew it not; and the President who signed the act did not know that he was signing a warrant for the bankruptcy of the nation. Nor were the plan and motive of the thing done ever revealed until it began to declare itself in the industrial and commercial ruin of the nation.

#### 16. THE CRIME WAS KNOWN ONLY TO THE PERPETRATORS.

The secret history of the act of demonetization has never been, and perhaps never will be, fully exposed to the light of day. Thus much is certain, that when the bill for the revision of the coinage was brought into the House by the Hon. William D. Kelley, chairman of the Committee on Coinage, Weights, and Measures, it contained a provision for the standard silver dollar as well as for the other coins of our system. Thus much is certain also, namely, that in some manner and by some hand that provision was stricken out, and then the emasculated bill was in some way worked through both House and Senate without the knowledge of either body, or any considerable number of the members, as to the nature and intended effect of the measure that was passed.

The President's signature was obtained to the bill without his knowledge that thereby silver was demonetized. Nearly eight months afterwards, namely, on the 6th of October, 1873, General Grant wrote a letter to his friend, Mr. Cowdrey, a bank president of Brooklyn, in which he expressed his surprise that silver money was not making its appearance as a means of aiding in the resumption of specie payments. The General did not know that his own signature had made it impossible that a single silver dollar should be coined for purposes of resumption or for any other purpose whatsoever. In the letter to Cowdrey he said:

The panic has brought greenbacks about to a par with silver. I wonder that silver is not already coming into the market to supply the deficiency in the circulating medium. When it does come—and I predict it will soon—we will have made a rapid stride toward specie payments. Currency will never go below silver after that. \* \* \* The circulation of silver will have other beneficial effects. \* \* \* Silver will become the standard of value and will be hoarded in a small way. \* \* \* I confess a desire to see a limited hoarding of money.

On the 10th of May, 1879, William D. Kelley, father of the House of Representatives, speaking indignantly and in retrospect of the act of 1873, said:

The Committee of Coinage, Weights, and Measures, who reported the original bill [act of 1873], were faithful and able, and scanned its provisions closely. As their organ I reported it. It contained provision for both the standard dollar and the trade dollar. Never having heard until long after its enactment of the substitution in the Senate of the section which dropped the standard dollar, I profess to know nothing of its history; but I am prepared to say that in all the legislation of this country there is no mystery equal to the demonetization of the standard silver dollar of the United States. I have never found a man who could tell just how it came about, or why.

If William D. Kelley, after more than six years of mingling with the foremost men of the nation, had never found one who could tell him how or why silver was demonetized, what shall we say of those who, twenty-three years after date, are trying, under pressure of public condemnation, to explain it—and can not?

Testimony to prove the ignorance of Congress with respect to the nature and intent of the act of demonetization can be adduced to the extent of a volume. On the 15th of February, 1878, Senator ALLISON, of Iowa, said in the Senate:

When the secret history [mark—the secret history!] of this bill of 1873 comes to be told it will disclose the fact that the House of Representatives intended to coin both gold and silver, and to place both metals upon the French ratio (15 to 1) instead of our own, \* \* \* but that the bill afterwards was doctored.

On the same day when this was uttered, Senator D. W. Voorhees, of Indiana, challenged Senator James G. Blaine, who had been Speaker of the House when the act of demonetization was passed, as follows:

I want to ask my friend from Maine [Mr. Blaine] \* \* \* whether I may call him as one more witness to the fact that it was not generally known whether silver was demonetized? Did he know, as Speaker of the House presiding at that time, that the silver dollar was demonetized in the bill?

To this Senator Blaine replied:

I did not know anything that was in the bill. \* \* \* And now I should like to exchange questions with the Senator from Indiana, who was then on the floor (of the House), and whose business it was far more than mine to know. \* \* \* Did he know?

Senator Voorhees replied:

I very frankly say that I did not.

General Garfield, afterwards President of the United States, speaking at Springfield, Ohio, in the fall of 1877, said:

Perhaps I ought to be ashamed to say so, but it is the truth to say that I, at that time being chairman of the Committee on Appropriations, and having my hands overfull during all that time with work, never read the bill [act of 1873]. It was put through, as dozens of bills are \* \* \* in Congress, on the faith of the report of the chairman of the committee; therefore I tell you, because it is the truth, that I have no knowledge about it.

This extract seems to raise a question between the dead Garfield and the living Sherman.

On the 10th of January, 1878, Senator Beck, of Kentucky, speaking to the proposed measure of remonetizing silver, said:

What I complain of is \* \* \* that the House never knew what was in that bill. \* \* \* Will any sane man believe that they [Senators] deliberately consented to strike down silver coinage? Mr. Sherman says they all did. I do not believe him.

This is a question between the dead Beck and the living Sherman.

In this same debate Senator WILLIAM M. STEWART, of Nevada, new charged with inconsistency and false motives by orators great and little, said in a colloquy with Senator Sherman:

Whatever may be your construction of their meaning now, the words you used then induced me to vote with you, because you made me believe that you were sending out a bona fide dollar, as good as any in the world.

The Hon. William S. Holman, of Indiana, at that time father of the House of Representatives, speaking from his desk, July 13, 1876, said:

I have before me the record of the proceedings of this House on the passage of that measure, a record which no man can read without being convinced that the measure and the method of its passage through the House was a "colossal swindle." I assert that the measure never had the sanction of the House, and does not possess the moral force of law. \* \* \* I myself asked the question of Mr. Hooper, who stood near where I am now standing, whether he changed the law in regard to coinage. And the answer of Mr. Hooper certainly left the impression upon the whole House that the subject of the coinage was not affected by that bill.

On the 15th of February, 1878, Senator Thurman, of Ohio, said:

I can not say what took place in the House, but know when the bill was pending in the Senate we thought it was simply a bill to reform the mint, regulate coinage, and fix up one thing and another, and there is not a single man in the Senate, I think, unless a member of the committee from which the bill came, who had the slightest idea that it was even a squint toward demonetization.

Finally, Senator Roscoe Conkling, of New York, speaking on the subject on the 30th of March, 1876, said in indignant inquiry:

Will the Senator allow me to ask him or some other Senator a question? Is it true that there is now by law no American dollar? And if so, is it true that the effect of this bill is to be to make half dollars and quarter dollars the only silver coin which can be used as a legal tender?

Here the question is between the dead Conkling and the living Sherman.

The authors of the act of 1873 can well afford to be content. If they are condemned by the judgment and whipped by the scorn of the American people, they can still afford to smile; for they made their game and won it. For twenty-three years they have watched the wreck as disinterested spectators. Their own strong ships are filled with the treasure-trove of land and sea. Surely they have little occasion to worry! True, the floods are filled with the wrecks of poor men's earnings and the broken symbols of hope. The fortunes of the humble millions are in the sea. The lifeless bodies of young husbands are floating there. Wives and mothers, with despairing faces, are clinging to masts and spars. I saw a wooden cradle with two babies in it going down the flood, and the white fin of a shark was flung up where it sank! Oh, be sure the authors of the act of 1873 have nothing to answer! Why should they? Their only reply to the indignant question of mankind is a good-natured guffaw and some pleasant levity about the terrors of the Mexican dollar.

## II. TRUE HISTORY OF OUR COINAGE.

The act of 1873 abolished the standard unit of money and account in the United States. Until that time all other coins in use under our Constitution and statute had been made to do obedience to the silver dollar as the unit of money and account. That dollar had never been altered by the fraction of 1 grain in the quantity of pure metal composing it from the time when it was ordained, in 1792, to the time when it was abolished from the list of coins to be henceforth struck at the mints of the United States. Every other coin, whether of gold or silver, had been altered and altered again; the silver unit never.

To that unit all the rest, both gold and silver, had from the first been conformed. The eagle of the original statute and of all subsequent statutes was not made to be \$10, but to be of the value of \$10. The half eagle was not made to be \$5, but to be of the value of \$5. The quarter eagle was of the value of \$2.50, and the subsequent double eagle was of the value of \$20. Even the gold dollar of 1849, marvelous to say, was not a dollar, but was made to be of the value of a dollar. The subsidiary coins were all fractions of the dollar, and the dollar was of silver only.

In a recently published book called *A Coin Catechism*, by J. K. Upton, three times Assistant Secretary of the Treasury and financial statistician of the Eleventh Census, the following remarkable interpretation of the coinage act of April 2, 1792, is given:

The First Congress of the United States provided for the coinage of "silver dollars or units, each to be of the value of a Spanish milled dollar as the same is now current, and to contain 371.25 grains of pure silver," and fractional pieces of the same fineness and proportional weight, and gold pieces to contain 24.75 grains of pure gold to a dollar, etc.

The last clause of this exposition by Mr. Upton is so cunningly false as to be amusing. It is a logical and literary curiosity that ought to be remanded to the text-books as the finest existing example of sophism. Why did not the author go on with his quotation from the statute of 1792 and give the clause relative to the coinage of gold? He knew that to do so would be ruinous to the special plea which he was making. The First Congress of the United States did not provide for any such coinage of gold as that described by Mr. Upton.

Mr. Upton either knows it or else he does not know it. The "gold pieces" to which he refers in his carefully covered expression were precisely as given in the text above; namely, an eagle, a half eagle, and a quarter eagle, and afterwards a double eagle, and the coins each and several are defined in the statute as being of the value of so many dollars, or units, and the dollar, or unit, is defined as being 371.25 grains of pure silver.

The conformity of gold to silver by the same statute at 15 to 1 made the gold coins to be multiples of 24.75 grains of gold, a proportion which was afterwards twice altered to preserve the conformity. This simply showed the amount of gold which at the time should be, not a dollar, but of the value of a dollar. Senator Sherman says in a published note relative to Upton's book:

His statements on financial matters may be implicitly relied on.

Of course. As a matter of fact, Mr. Upton's whole book is tainted with the same species of false interpretation shown in the quotation given above. From one example judge the whole. Thus from the beginning of our national history was the American silver dollar the sole statutory and constitutional unit of money and account.

Not a single dictionary or cyclopedia in the English language before the year 1878 ever, to our knowledge, defined "dollar" in any terms other than of silver. In that year the administrators of the estate of Noah Webster, deceased, cut the plates of our standard lexicon and inserted a new definition that had become necessary in order to make the bond intrigue, in Congress and out of it, consist.

True it is that by the statute of 1792 the dollar was made to exist in the gold coin also; but that dollar was a dollar only by its conformity in value to the silver coin, which was the one standard unit of money and account. Our metal money existed in both kinds, and the system was bimetallic to this extent, that the debtor might pay in either; but the unit existed in silver only.

To abolish that unit, to strike it down, to cancel it, and to substitute another therefor was a crime. It has been rightly so branded by the American people, and it will be so written in history. It makes no difference whether it was done secretly or openly, whether in the day or in the night, whether by a committee or by the House in full debate, whether Congress understood it or did not understand it, it was a crime all the same against the rights and interests of the American people; aye, against the American people themselves and against all the people of the world, for it was done against justice, against truth, against the law of both man and God. Nevertheless it was done.

## III. CONDITIONS OF THE RESUMPTION OF SPECIE PAYMENTS.

Again the bondholding interest had played a great game with the American people, and had won as before. The next event of the programme was already rising above the horizon. That was the formal declaration of a date when the gold dollar, instead of



the alternative bimetallic dollar of the contract made by the American people with the bondholders, should begin to be paid in discharge of the debts of the nation. The act fixing that date was passed on the 14th of January, 1875, and the 1st of January, 1879, was named as the day when specie payments should be resumed at the Treasury of the United States, and if there, then everywhere.

In the interim, about the year 1877, the American people made a discovery—not a pleasing discovery. They found that they were ginned in a trap which had been set for them without their knowledge four years previously. The date for the resumption of specie payments was near at hand. The means for such resumption had to be provided. The National Treasury could not resume on nothing, but must be supplied in advance with the coin necessary for such an enormous transaction and for keeping up the work when it should be once begun. The people had been supposing that both gold and silver would be gathered without discrimination for the discharge of the debts of the Government. To their amazement they found that they had been beaten by a game. Not a silver dollar was coining or could be legally coined at the mints to meet the coming emergency.

Only a few years before the enormous treasures of the Rocky Mountains had been laid bare. The discovery of new deposits of silver and gold at this juncture seemed providential. The patriot Lincoln heard of it with delight. On the afternoon before the assassination, when Vice-President Schuyler Colfax was on the eve of departing for the West to examine into the condition and prospects of the proposed Pacific railway, the President said to him, measuring his words:

Mr. Colfax, I want you to take a message from me to the miners whom you visit. I have very large ideas of the mineral wealth of our nation. . . . Now that the rebellion is overthrown and we know pretty nearly the amount of our national debt, the more gold and silver we mine makes the payment of that debt so much the easier. Now, I am going to encourage that in every possible way.

Even so, O Lincoln!

We shall have hundreds of thousands of disbanded soldiers, and many have feared that their return home in such great numbers might paralyze industry by furnishing suddenly a greater supply of labor than there will be a demand for. I am going to try and attract them to the hidden wealth of our mountain ranges, where there is room enough for all. Immigration, which even the war has not stopped, will land upon our shores hundreds of thousands more per year from overcrowded Europe. I intend to point them to the gold and silver that waits for them in the West. Tell the miners from me that I shall promote their interests to the utmost of my ability, because their prosperity is the prosperity of the nation; and we shall prove in a very few years that we are the treasury of the world.

These are the last glorious words of Lincoln. Oh, thou immortal! In thy stanch and capacious heart there was a place even for the miners and mining interests of our country. Thy last thoughts of public concern in this world were how the war debt was about to be paid with the gold and silver of the mountains.

It were hard to say whether there was greater cause for amazement or rage when the people found that the very resource to which Lincoln had pointed in his last public utterance as the means of paying the war debt had been purposely cut off. When the reason of this was inquired, Shylock pointed his benevolent finger to the act of 1873. It was unlawful to coin silver dollars. The debt must be paid in gold. When the inquiry was pressed as to whether the silver dollar had not always been the dollar of the Constitution and the statute, whether it had not been in particular the dollar of primary money when the bonded debt was incurred, Shylock shuffled and lied and made an affidavit that he was an honest man.

#### 19. THE ACT FOR REMONETIZING SILVER.

Hereupon a clamor—first of many—arose in the country. The people broke into insurrection against the money power. There was a wrestle between them and their oppressors. For the time being their Representatives in Congress, less awayed than afterwards by the tremendous influences around them, stood fast for truth and right. A battle was fought in the second session of the Forty-fifth Congress, and on the 21st of February, 1878, the act was triumphantly passed for the restoration of the silver dollar and for the compulsory coinage of that unit at the minimum rate of \$2,000,000 a month.

We need not here recount how the act of remonetization was sent to the President of the United States to meet at his hands the puny rebuff of a veto. Nor need we refer to the other fact that the veto itself was buried, without a word of debate, under a majority of 46 to 19 in the Senate, and of 196 to 73 in the House of Representatives. So perish all similar documents evermore!

It was by means of the act of 1878 that the Government of the United States was enabled to make good its declaration of specie payments at the appointed time. Within eleven months the ordeal came and was passed. The premium on gold was obliterated. Both money metals stood side by side in the accomplishment of this work. The first metallic money that reappeared in the channels of ordinary trade was the old silver dollar, restored, not, indeed, to its unlimited and equal rank, but to a measure of efficiency.

The act of remonetization was in force for twelve years and five months. In this period at the mints of the United States were coined more than 400,000,000 silver dollars. These were added to the volume of the currency, in spite of the grimaces and gripings of Shylock. It was the people's primary money.

The law of 1878 was very far short of perfection. It left silver exposed to the intrigues of the enemy, and placed gold in such a situation that the price of it might be gradually advanced at the option of the holders. It made silver to be merchandise, coinable into dollars that were to be buoyed up by coinage from the bullion value, which the goldites might measure in terms of gold, and depress as much as they pleased. This actually occurred. Gold began steadily to appreciate. Its purchasing power, as measured by the average of all other commodities, rose higher and higher. The supposition that the average of all other commodities declined in value is absurd. They only declined in price—price as measured by gold. Gold as measured by silver advanced in price and purchasing power. The price of silver bullion declined, or was forced down by the standard of gold; but the value of silver—raw silver—did not decline more rapidly than the average of the great products of America and Europe—that is, it did not decline at all.

The whole situation was so contrived as to produce a divergence, a disparity, in the bullion values of silver and gold; but gold was able to conceal its fallacy, just as any other metal, from iron to iridium, would conceal its fallacy if it were the sole standard of values. So much gold, namely, 23.23 grains, was stamped as the standard dollar, and if the treacherous metal had risen until its purchasing power was 500 per cent of what it had been previously, until 1 unit of it would purchase a thousand bushels of wheat or 50 acres of farming land, it would not have revealed the lie that was in it. It would still have been "the honest dollar!" As matter of fact, gold bullion rose higher and higher, and all things else, including silver bullion, were correspondingly depressed in price.

#### 20. SILVER HAS NOT DEPRECIATED.

The effects of partisan degeneration are nowhere more strikingly seen than in the unscrupulous or ignorant assertions of the goldites about the "depreciation of silver." They continue to speak and to write of the "fall of silver" just as though the purchasing power of that metal had really declined. Not once, or a hundred times, but a thousand times the friends of truth in this controversy have demonstrated the falsity of the assertion and common belief that silver has greatly declined in value. It seems necessary to iterate and reiterate the undeniable truth that, except as measured by gold, the value of silver has not in the last twenty years declined at all. I therefore append, once for all, a simple demonstration, which ought to suffice, of the real facts about the purchasing power of silver.

At the end of August 5, 1875, gold and silver were practically at a commercial parity of values. Silver had been at a premium, but gold had risen after the act of demonetization in 1873, and in 1875 the two metals stood on a level of 16 to 1. That was twenty-one years ago. At that time a gold eagle or its equivalent, 3.712½ ounces of silver—gold being still at a premium of 14 per cent above legal-tender paper—would purchase as follows:

Of wheat, at \$1.24 per bushel.....	bushels..	9.2
Of flour, at \$6.75 per barrel.....	barrels..	1.6
Of cotton, at 15 cents per pound.....	pounds..	75
Of mess pork, at \$30.00 per barrel.....	barrels..	.53
Of sugar, at 10 cents per pound.....	pounds..	114
Of wool, at 45 cents per pound.....	do.....	25.3
Of beef, at 14½ cents per pound.....	do.....	80
Of bar iron, at 2.9½ cents per pound.....	do.....	390

At the present time (calculating for August 20, 1896) a gold eagle will buy of the above staples as follows:

Of wheat, at 55 cents per bushel.....	bushels..	18.2
Of flour, at \$3.25 per barrel.....	barrels..	3.1
Of cotton, at 7½ cents per pound.....	pounds..	131
Of mess pork, at \$6.25 per barrel.....	barrels..	1.6
Of sugar, at 3½ cents per pound.....	pounds..	231
Of wool, at 15 cents per pound.....	do.....	65.6
Of beef, at 7 cents per pound.....	do.....	143
Of bar iron, at 1.3 cents per pound.....	do.....	290

A comparison of these two tables will show exactly the appreciation in the purchasing power of gold since the time (1875) when that metal and silver were at a commercial parity—an appreciation which is the direct result of the insidious influences of demonetization.

At the present time (August 20, 1896) the raw silver in ten silver dollars—that is, 3.712½ grains of uncoined silver—will purchase of the above staples as follows:

Of wheat, at 55 cents per bushel.....	bushels..	9.8
Of flour, at \$3.25 per barrel.....	barrels..	1.7
Of cotton, at 7½ cents per pound.....	pounds..	71.8
Of mess pork, at \$6.25 per barrel.....	barrels..	.89
Of sugar, at 3½ cents per pound.....	pounds..	173
Of wool, at 15 cents per pound.....	do.....	35.9
Of beef, at 7 cents per pound.....	do.....	77
Of bar iron, at 1.3 cents per pound.....	do.....	415

A comparison of Tables 1 and 3 will show beyond controversy that in the case of the eight staples examined the raw silver in 10

silver dollars will now buy more of all but two (cotton and beef) than a gold eagle would buy in 1875. In the case of cotton there has been the loss of a fraction, and in the case of beef, of 3 pounds in a hundredweight. Therefore the purchasing power of uncoined silver as measured by the average of the great staples of the American market has not depreciated, but actually appreciated, since that date when silver and gold were last at a commercial parity. The demonstration is as certain as any other mathematical result.

#### 21. "GOLD NEVER FLUCTUATES."

Incidentally, also, it is demonstrated that gold is not, as the goldites say, an undeviating measure of values. On the contrary, it is a deviating measure. Nothing is more certain than that silver is the steadier and more honest measure of the two. It keeps pace more truly in its movements with the market values of the world; and these market values, derived from the labor that produces them, are the real criterion of measurement always and everywhere. On the other hand, gold climbs up the column higher and higher under conditions to which it is more sensitive than silver.

If any one economic truth is demonstrable, it is the sensitiveness of gold in the market. The comparative steadiness of gold in its production is admitted—that is, the supply of gold is comparatively an undeviating element of value—but the demand for gold is one of the most variable forces in the markets of the world. The effects of this varying demand are intensified by the relatively small quantity of existing gold, to the degree that the resulting fluctuations in the price are among the most striking phenomena ever witnessed in the marts of commerce.

Time was when, under the conspiracy of two men, commercial gold in the United States was cornered more completely than ever wheat was cornered in the Chicago pit. In September of 1869 Jay Gould and James Fisk, jr., with the aid of their brokers and a few other subordinates, drove gold into a corner, and in the course of a fortnight forced the price of "the undeviating standard" from 130 to 165 cents to the dollar. On the 24th of the month (memorable as Black Friday) the corner was broken by the action of the Government of the United States. The Treasury was opened, and a stream of Government gold was poured on the heads of the conspirators until they fled from the scene of their glory. As they went out of the gold room the index hand on the gold clock went backward, and "the undeviating standard" fell 30 per cent in twenty-five minutes. No other such memorable collapse in the price of a great commodity was ever witnessed under the sun.

The advantage which the antisilver legislation of the eighth decade, carefully contrived by the money power with machinations and intrigues extending back to the close of the war, would give, and did give, to the owners of gold and those to whom gold had been promised in payment can not well be described. It was incalculable. The spectral nightmare of Debt built him a throne on the ruins of a million homes—just as Sherman had said he would—and plumed himself all summer. The goldites became, by the possession of augmented power, the autocrats of the world.

Strange, indeed, to see the prices of all the products and industries of men sinking, sinking, under the pressure of so small and diabolical an instrument as a gold dollar. The thing has seemed to be possessed of a veritable devil. Its action has been like that of a manikin 3 miles out at sea, submerged to his chin, but by some infernal self-pressure able to lift himself out of the water to the horizon of his waist. Looking around over the vast deep, he cries in glee, "Great heavens, how the ocean has sunk away!"

#### 22. WEAKNESS OF THE BLAND-ALLISON LAW.

The act of remonetization was weak in this—that it permitted a fatal discrimination against silver. It limited the coinage and theoretically reduced silver to the rank of merchandise. At length the people came to understand the flaw in the Bland-Allison law, and by the year 1890 they determined to renew the struggle for the complete restoration of silver money.

By the same date Shylock concluded that a favorable crisis had arrived for him to get undone in toto the legislation of 1878. He had succeeded in the interim, by means of the discrimination against silver as primary money and by availing himself of the results of the stoppage of free coinage in the Latin Union, in raising the price of gold about 30 per cent. This fact, taken the other way, gave opportunity to Shylock to deplore the existence of a 70-cent silver dollar. He was grieved beyond measure at the dishonesty of such a dollar—not on his own account, but for the credit of his country!

The purchasing power of raw silver had not, according to the average prices of the other great commodities of the world's market, declined at all in the twelve intervening years; but the fundholding interests had contrived a condition of values and prices that enabled them, by jugglery and falsehood, to denounce the silver dollar as a depreciated and dishonest coin, and thus to force a disparity in the bullion values of the two metals.

#### 23. STORY OF THE SHERMAN ACT.

The people and their representatives, however, smiled at the ravings of the goldites, and went forward to complete the legislation of 1878. At this time, namely, in 1890, there was a firm majority in both Houses of Congress in favor of the free coinage of silver. The nation as such was in favor of that measure. The Administration was against it. The question was introduced into Congress in several forms. Motions and bills were multiplied. At length on the 17th of June, 1890, the Senate, which body has never appeared to a better advantage in our history, boldly took the initiative, without giving the enemy a chance to adopt his usual tactics, and suddenly prepared and passed an act for the absolute restoration of silver to its old-time constitutional place in the currency system of the United States.

The Senate at this date was strongly Republican, and the majority in favor of the free-coinage bill was 17. In the House of Representatives there was an unequivocal majority in favor of the measure; but before this majority could declare itself and force upon the President the (to him) dangerous alternative of either accepting the will of the country or of obeying the behest of the money power with a veto, the bill was arrested by the Speaker, THOMAS B. REED, and then, under the dictation of the Administration and Senator John Sherman, a new bill was prepared, which took the name of its author, and is known as the Sherman law.

This measure, a shuffling and ingenious compromise, was injected into the monetary legislation of the country merely to prevent the adoption of free coinage by Congress and to gain time for the conspirators. It was conceived in intrigue and stigmatized by its own inventors from the day of its inception. The bill was insinuated into the House in place of the free-coinage bill of the Senate, and was forced upon that body, whose members could not bear the whip of party and the loss of patronage. The act thus adopted by the House was taken back to the Senate, and that body was thrown upon its haunches by the same power that had prevailed in the House. The majority of 17 yielded, and the Sherman law, so called, became a fact with the signature of the President.

This law pretended to be a bill in the interest of silver money and for the preservation of bimetalism in the United States. To a certain extent it was so; but at the same time it was a cunningly devised expedient of the goldites, by which they ultimately gained in the contest with the majority ten times more than they lost.

For a short time after the passage of the law there seemed to be a distinct gain for the cause of silver. Notwithstanding the fact that the Sherman law was not a genuine silver law, the first effect of it—energized by the popular misapprehension on the subject—was a marked decline in the premium on gold. This was shown in a corresponding rise in the bullion price of silver. The silver rate was advanced from day to day, according to the London quotations, through a period of eight or ten weeks. Then the advance was checked. The quotations stood for a brief period at the crest, and then began that steady and long-continued decline which reached the depths in 1893-94.

This phenomenon was caused in large part by the shrewd action of Great Britain. That power was alarmed at the results which seemed to follow the Sherman law. For many years Great Britain had been purchasing American and Mexican silver at the rate of about fifty millions annually. These purchases she made at bullion rates, and the bullion she coined and sent out at coin rates to her more than 300,000,000 of East Indian subjects. It was a harvest bountiful and easy. The United States and Mexico paid the reapers, and Great Britain gathered the sheaves.

Seeing the advance in the price of silver in the latter part of 1890, Great Britain boldly and unscrupulously during the remainder of that year and the first half of 1891 cut down her purchases of American silver by fully 10,000,000 ounces, with a view to glutting the market, reducing the price, and influencing American legislation. She succeeded in all three points. That she nearly ruined her industries in India and brought millions of her subjects to beggary was nothing; she was playing for a larger stake!

By the act of 1890 the gold monometallists succeeded once more in preparing a situation of which they could avail themselves in the future. The law was so framed that when, through the abuse of it by the Secretary of the Treasury, it should prove a failure—as from the first it was intended by its makers to be—the only thing required on the part of the money power was to raise a clamor against a single clause of the law and secure the repeal of that clause. By so doing the whole fabric of the silver legislation of the country, extending at broken intervals from the foundation of the Republic to the year 1890, would be dissolved like a fiction, and gold monometallism would reign supreme.

The United States now entered upon the era of silver purchasing. The metal which the men of the constitutional era had chosen whereby to measure all other values (gold included) was degraded to merchandise. The Sherman bill provided for the



coinage of silver dollars "at the discretion of the Secretary of the Treasury." It might as well have provided that the directors of the Bank of England should, at their discretion, hold their sittings in Mozambique! It was never intended to coin the purchased silver, but to treat it as merchandise. It was intended to accumulate it, and then to raise an alarm about the accumulation.

The law continued in force for three years and four months. During that period the Secretary of the Treasury purchased monthly 4,500,000 ounces of silver and issued therefor legal-tender Treasury notes redeemable in either silver or gold at the option of the Secretary. In this instance the option was cunningly restored to the payer, with the full knowledge that the payer would use that option in a manner further to depress the relative price of silver bullion and to make gold the dearer coin. This provision of the law was said to be an expedient for preserving the parity of the two metals, but in reality it was an expedient to exaggerate their disparity by enabling the holders of the Treasury notes, with the connivance of the Secretary, to draw therefor the gold of the Treasury, leaving the silver to accumulate.

We need not here enter at length into the beauties of the Sherman law. The people of the United States now understand it. They now know what it was intended for and what it was made to accomplish. They perceive clearly enough—all intelligent men perceive—that the act of 1890 was, in the purpose of its inventors, but another adroit step in the processes by which silver was to be ultimately discarded as primary money and the United States placed in firm monetary league with Great Britain on the single basis of gold. In the short space of three years matters had gone so far that the gold party, then in firm possession of the Administration which it had created in 1892 for its own purposes, alarmed lest the country should actually reach free coinage by means of the Sherman law, and triumphant by its power over the House of Representatives, felt sufficiently emboldened to attack the purchasing clause of the law and by annulling that destroy the whole.

#### M. THE MÊLÉE AND MOCKERY OF 1893.

It is scarcely worth while to recite the story of the contest of 1893. The miserable mêlée is still fresh in the minds of men. It may be that the Sherman law ought to have been abrogated, but not without the condition of free coinage. It was not intended to be a silver law, but a law in the interest of gold. Certain it is that nothing could have been devised more suitable to the ultimate interests of the gold party. That power, then in active control of the leading political parties, was able to work its will.

The repeal of the purchasing clause of the act of 1890 was effected without conditions; and with the passage of that repeal on the 1st of November, 1893, the legislation against silver, which was begun in silence in 1873 against the interests of honest money in the United States, and in favor of substituting a long dollar worth fully a hundred and ninety cents for the dollar of the law and the contract, was bolsterously and triumphantly completed. By that act the will of the people of the United States was prostrated. The people themselves were gagged and manacled. Both Houses of Congress were thrown down, and Juggernaut was pulled over them by the minions of a power having its head center in Lombard street, London.

#### N. THE BOND IS THE SPINAL CORD OF OUR FINANCIAL SYSTEM.

Around the bonded debt of the United States all the other bonds and debts of the American people have clustered. The national bond has been the spinal cord of the whole financial life. The bond has set the pace for the whole business movement of the United States. To the Government bond all the other bonds have conformed; by it all manner of indebtedness has been shaped and measured and controlled. The manipulation of the national bond and of the dollar of payment has been the manipulation of every other bond and every other dollar of the American people.

The stupendous frauds by which the obligation of the nation has been doubled and trebled and almost quadrupled in value have been but the sign and index to the like process going on in every branch of business and every form of obligation in the United States. The criminal forces which have played upon the bonded debt of the nation in its aggregate capacity have played in like manner and with equally disastrous results upon every obligation between man and man under the canopy of the American sky.

Thus, beginning with the bonded debt of the United States, all forms of debt have been infected. As the bonded debt has increased in its purchasing power, so every other form of debt has increased in magnitude and burden, until not only has the nation groaned under the ever-increasing load, but each individual man who has purchased anything with deferred payment, from a basket of potatoes in the market to a transcontinental railway, has staggered away under the ever-growing burden of his debt, until his limbs have broken under him and he himself has been crushed to the earth.

#### O. RUIN OF INDUSTRIES BY THE GOLD INTRIGUE.

Under the ruinous régime of the International Gold League—begun in 1873 and completed in 1893—the prices of all the products

of human industry and enterprise have shriveled and shrunk away until the American people have found the near approach to pauperism. When the products of labor become worthless, the laborer becomes first a peasant and then a pauper. One has only to note the prices now current, and to compare them with the prices which prevailed a quarter of a century ago, to see at a glance how far down the slope we have slipped and how near we are to the precipice and the plunge.

In many parts of the great and abundant West—a glorious country favored of God and redeemed by man—the people are burning corn for fuel! The coal barons have cornered the coal, and the goldites have cornered the farmers! That great army of noble, cool-headed men, whose weapons are plow and spade and reaper, whose treasure-houses are barns, and whose sole wealth is taken from the holy ground—that mighty army of toilers is driven down into a strait place between the devil and the sea; and unless they break through the surrounding camps of myrmidons they will all be taken, subjugated, and reduced to serfdom. Now, if ever, is the farmer's time to rise and recover his liberties and his rights!

#### P. THIS IS THE FARMERS' WAR.

In fact, the present contest in America is, first of all, the farmers' war. Being the ultimate producers of whatever is and not the intermediate producers of whatever may be, they, more than any others, are oppressed and shaken over the brink of ruin. The pressure of plutocracy is heaviest at the bottom, and the bottom is the ground. The bottom is the pasture, the field, the orchard, the garden. It is the river valley and the prairie where the people dwell. It is the meadow land and the rich bottom, the upland and the field of cotton that lie under the curse. The money power has cursed the people's homes; and as the shingles decay and the gates begin to swing on broken hinges the minions of that power set up not a cry of sympathy, but a shout of derision.

#### Q. WHAT CAUSED THE "DECLINE IN SILVER."

For the money jobbers of the world the year 1893 was a memorable epoch. They were busy in the Old World and the New. In Great Britain Shylock lifted his hand and the mints of India were shut against silver. For ages that metal had been the money metal of the people. Before Great Britain had emerged from savagery the teeming millions of the valleys of the Indus and the Ganges had made their domestic exchanges and carried on their foreign trade by the measure of silver money.

From the days of the Buddha, aye, from the days when the old poets of Brahma first chanted the hymns of the Veda, silver had been the known and honored coin and standard of the historic kingdoms and empires of opulent India. But the conqueror put his foot on the Hindu nations, and in the fullness of cupidity and the recklessness of unbridled power the British mandate was sent across 10,000 miles of land and sea, "No more coinage of your time-honored money. Shut up your mints and accept commercial degradation. Starve if you will, but shut them up."

This enabled the money conspirators of western Europe and America to point prophetically to "the rapid decline of silver." It was at this juncture that the called session of Congress under the dictation of Government was pretentiously striving to avert the panic. The panic was about to come, said the money jobbers, as though the production of the panic was not the very task at which they were laboring.

If the President in issuing his call for the special session had said: "The Chief Executive is anxious to produce a panic, to wreck the remaining business of the United States, to prostrate trade, and to bring an added curse and blight on American industry," he would have been strictly within the historical verities. The repeal of the Sherman law was not an act to avert a panic, but to produce one. It was not to strengthen the National Treasury and to buttress the finances of the United States, but to scuttle the Treasury as literally as ever a ship was scuttled by pirates bold, and to disorder the finances until even the atrocity of selling bonds to the extent of hundreds of millions should be declared to be necessary "in order to preserve the national honor."

#### R. THE PANIC AND THE CARLISLE BONDS.

Thus came the panic, with devastation and ruin in its train. The panic was but an incident of the programme. Down went the business of the nation. The repeal of the Sherman law, instead of producing confidence, brought only distrust and disaster. The mortgage of Shylock on the American people was foreclosed, and he had himself appointed receiver. For more than three years he has been engaged in settling up the estate and in watching the interests of the preferred creditors! The business is not yet completed, and many years will be consumed before it is completed, unless, in the pending trial of the People vs. Plutocracy, the receiver shall be discharged and his cause thrown out of court.

Two hundred and sixty-two millions of added debt! Interest on the same, for thirty years, more than \$275,000,000! Total of added debt more than \$337,000,000! In a time of peace more than a half billion laid upon the people for nothing! This prodigious

sum is to be sucked up by the vampire of bonded power out of the breath and blood of the toiling masses. The leech mouth of that vampire is fastened for thirty years on the right arm of every laborer who drives a plane or wields a sledge or guides a plow!

For thirty years that leech mouth is fastened on the bosom of every mother and sister and bride in America whose son or brother or husband is not a capitalist. For thirty years that leech mouth, red with cherry blood, is fastened on the rosy cheek of every workingman's baby in America. And this is what comes of refusing to use and pay out, without discrimination, the legal and honest silver money heaped up in the Treasury vaults of the United States. Shylock preferred gold, and the treasurer bowed himself down and said, "Yea, my lord!"

Congress in 1893, floundering through muck and ooze, striving to do much but doing little, did one thing in the cause of truth and right. It passed a law for the taxation of incomes. This measure, however, was suggested by expediency rather than by a sense of justice. The passage of the Wilson bill made certain a great reduction in the revenues of the United States. The removal of the high-protective duties on imports must, in the nature of the case, lessen the resources of the Treasury by an enormous aggregate, and this at a time when the Treasury had already, by the policy of the preceding Administration, been brought to the crumbling edge of bankruptcy. The tariffs removed must be counterbalanced in some way, and an income tax suggested itself as a just and rational part of the remedy.

#### 30. THE INCOME TAX AND THE SUPREME COURT.

A bill was accordingly passed, laying a tax of 2 per cent on the excess of all incomes above \$4,000 a year. The measure rested on the simple principle that the opulent ought to be taxed as well as the poor—that the rich and great, whose revenues are derived from investments, ought to pay to the Government a percentage on their incomes as well as the humble producers—farmers, mechanics, tradesmen, artisans, laborers—whose wages and modest profits are derived from daily toil.

But against this principle the money power arrayed itself in solid phalanx. Plutocracy filled all the trenches with its mercenaries for the defense of its citadel. In Congress and out of Congress it shouted its epithets and vented its sophistries. They who favored the income tax were communists, robbers, anarchists! It was class legislation directed against the honest accumulations of industrious men. It was robbery of the rich because they were rich to fill the ragged pockets of the poor because they were poor. It was everything odious, and its promoters were everything dishonest and rapacious.

But the law was passed and the war had to be carried to another part of the field. There stood the Supreme Court. Against that fortress the money power threw itself with the greatest violence, and the fortress went down! We do not say—and do not believe—that the Supreme Court, in annulling the tax on incomes, in pronouncing the law unconstitutional, was corrupted. It was not. But the members of the court are men; they breathe the air of the age, and they become saturated with the spirit and influences that are around them. Washington City is near the great seats of the money power. It is remote from the nation, from the people. The Supreme Court is the most remote of all of our institutions from democratic sympathies.

It was so in 1859. It was so in 1893. The decision rendered in the former year became memorable in American history as an example of what the Supreme Court could do in shoring up and fortifying the system of human bondage. The decision rendered in the latter year was, of the two, less meritorious in law and on the whole more hurtful to civilization. Judge Taney's decision was a judgment against the negro; Judge Fuller's decision was a verdict against mankind! The latter was also less respectable, for it was rendered in a way to make the judgment of the court at once distrusted and odious. The decision did not come forth in clear tones. The court was almost equally divided.

Part of the law was at first upheld and part of it condemned. Then a justice reversed his own decision, and it was only in this way that the law was declared unconstitutional. It may have been unconstitutional, but it was right; and as surely as the American people retain their liberties and patriotism—as surely as the Republic stands for what its name implies and what it was created for by the fathers—so surely will an income tax be made that will be both constitutional and right. The people will have justice sooner or later; it is only a question of time.

Let it be remembered, too, that the stand of the money power against the income tax and the successful assault of that power on the law before the Supreme Court were only a manifestation and incident in the long-existing purpose of plutocracy not to be taxed at all. Nothing short of absolute exemption from the necessary burdens of government will ever satisfy the soulless rapacity of those who have gathered the wealth produced by the laborers of America. Here again it is the millionaires on one side and the millions on the other. If the millionaires had ever shown a

reasonable disposition to bear even a respectable fraction of the public load, that fact would go far toward allaying the distrust of the honest many against the intolerable selfishness of the dishonest few.

On the contrary, the plutocracy considers one question only, and that is how to evade everything. The evasion of taxation by the money lords is perhaps the most shameless manifestation of greed ever witnessed among men, and the shamelessness of the evasion is only equaled by its success. It is literally true that the upper one-half of American wealth refuses to be taxed and that it almost wholly escapes, either by unjust law or by dishonesty, craft, and perjury, the burden of the nation, rolling it over by intrigue and pressure on the courts upon the bent and breaking shoulders of the poor. The tax administration in the United States has thus come to this: A system of discrimination by which the general burdens of society are laid without mercy or compunction on the toiling many to the end that wealth and its progeny may go unburdened on summer cruises around the world.

#### 31. SEEMING SUCCESS OF THE GOLD CONSPIRACY.

The conspiracy of the international gold trust thus seemed to triumph in 1893. The indignation of the people against it appeared to be of no avail. That power which became organic as a bondholding interest in America just after the close of the civil war had now, by its league with the financial system of Great Britain, succeeded in trampling down truth and justice, in choking the protests of a mighty people, in destroying their industries, in reducing them from proprietors to tenants, in taking away the rewards of labor and enterprise, and in establishing a condition which tends inevitably to the early and permanent institution in the United States of a peasantry subordinated to the will and purpose of their masters. It remains to be seen whether the people will bear it.

The visible gold in the world amounts to about 393 cubic yards. The greater part of this, nearly all of it indeed, is owned by private parties. The Rothschilds alone own more than sixteen hundred millions of the whole. The gold supply of the world is controlled finally by a few men who hate free institutions and care nothing for the rights of man or the interests of civilization.

On the basis of these 393 cubic yards of gold it is proposed to conduct the business of all the world. It is the most monstrous scheme ever known in history. The public and private debts of the American people amount to about \$45,000,000,000. Of this debt, less than 10 per cent is held abroad. Most of the foreign holding is in Great Britain. Yet, by the bond of this 10 per cent, the United States has become an appanage of Great Britain. The independence which we thought we had achieved a hundred and twenty years ago, and which we supposed we had confirmed four-score years ago, has been reconverted into a miserable dependency which might suggest to a pessimist that it would have been better never to break with our good mother at all.

#### 32. THE GOLD PROPAGANDA AND ITS AGENTS.

This crushing indebtedness of the people has alarmed the money power, and its emissaries are trying to explain it away. In the spring of 1893 the gold propaganda sent out from New York a number of distinguished advocates to teach the people how business is reviving; how the financial question is solved; how silver is dead, and in particular how easy and admirable has been the change from the bimetallic basis of currency to gold monometallism.

In this interest one eminent orator appeared at Detroit and delivered an oration in which it were hard to say whether the wit were more stale or the facts more false. He showed that it was easy for the American people to extricate themselves from debt by the standard of gold, for the reason that the public and private indebtedness of the people is only \$14,000,000,000. One might regard this statement as being interested and excoagitated from the prejudice of the orator but for the suspicion that he may have obtained his figures from Upton's financial statistics in the census of 1890.

The present aspect of the world is that of one centralized power, having its seat in London, with outlying dependencies. India, with nearly 400,000,000, is one dependency; Australia, with 4,000,000, is another dependency; Canada, with 6,000,000, is a third; the United States, with 70,000,000, is a fourth; the States of the Latin Union are the fifth. Germany and Russia are flattered with the belief that they are members of the league; but as a matter of fact they are only Cambacérès and Lebrun in the consulate. The first consul—and the only one of any importance—has his headquarters in the Bank of England.

#### 33. FANCIES AND FALLACIES OF THE GOLDDITES.

It is now only a question how the robbers who have despoiled mankind in the two civilized continents by means of the gold conspiracy are going to get off with their booty. They must have a little time and opportunity. In order to secure these, they cajole the nations with pleasing delusions and fancies. One of these fancies is impending universal war. War is an exciting



circumstance, and the prospect of war serves to distract the attention of peoples from the wrongs which they have suffered. The rumor of world-wide war is the substance of the daily news. People read it and believe it; Shylock is in ecstasies over the success of his ruse, and if he thought he could sell more bonds he would plunge all nations into a bloody and exterminating conflict.

Another one of the current delusions is the factitious discovery of gold. The propaganda having its headquarters in London and its American branch in William street, New York, has been engaged during the years 1895-96 in the dissemination of the news of gold discoveries in all parts of the world. South Africa is teeming with gold; the mountains of South America are founded on gold, and the outcroppings of it are seen in many parts; the Australian hills are made of gold; California is nothing but gold; the Alaskan mines are also rich in gold; the very sea bottom on several coasts reaching out for leagues is a mire of gold; new discoveries are made in Colorado and Arizona and New Mexico and Georgia. Added finds are heralded with every mail.

Soon it will be that gold shall be a drug in the streets; it shall be heaped in crates, from which the passer-by may help himself and his friends. The price of gold will thus be brought down, and we, the managers of the enterprise, will have to adopt strenuous measures to prevent the overcoinage of gold as money.

Of the gold propaganda the London Bankers' Magazine is the principal organ. One of the last articles in this magazine on the subject of gold production is entitled "A flood of gold coming." According to this disinterested organ the danger at present is not a scarcity of gold, but the peril that the commercial and industrial world will soon be overwhelmed with an avalanche of that metal. All the mines of the world are spouting streams of it. It is doubtful whether coinage can absorb the output; there is cause for alarm lest the fall in the precious stuff shall make it necessary for "the business interests of the world" to place rigorous limits on its coinage.

To-day—

Says the Magazine—

It is not a scramble for gold, but a coming glut of gold, that gives cause for anxiety. \* \* \* The golden stream has but just started to flow in on us, and the full force of its rising tide is yet far off. Year by year it will swell in volume, as the mining mania, which is being let loose in every part of the world, becomes more and more prolific. The world's production of gold has almost doubled itself within the short period of seven years. \* \* \* Recent progress is nothing compared with what has been predicted for the next few years.

Strangely enough, the article then goes on to show that a large part of "the golden flood" is derived from tailings. "In some cases," says the article, "as much as a fourth of the gross income is derived from tailings." Miraculous it is that while the outpouring flood of gold from all the world is about to deluge the commerce and industries of mankind and entail a depreciated gold dollar the miners of South Africa, even in the Randt, are represented as toiling with cyanide among the tailings to get "a fourth of the gross income." As a matter of fact, this article in the Bankers' Magazine was written for American consumption. It was intended to be copied, as it has been copied, by the metropolitan press, and thence diffused to all American newspapers, gratis, for their encouragement. The chairman of the county committee is thus enabled, just before the fall elections, to tell his followers that a flood of gold is coming.

So, also, is the device of reshipping gold from England. It is very opportune at this particular juncture to reship a few millions as an aid to political oratory. The strange thing is that Messrs. Lazard Frères and other distinguished money traders, whose native American names are so powerful a guaranty of the patriotic business in which they are engaged, should consider the American people such fools as not to know what they are about. As soon as the Presidential election is passed, the tribe of Lazard Frères will discover that "owing to the low rate of exchange," the exportation of gold must be resumed.

#### M. HOW "BUSINESS IS REVIVING."

Still another pleasing fancy of the goldites is the great and prosperous revival of business. Why, here is a marvelous paradox. Business, according to the great disinterested organs of public opinion, revives and does not revive. Manufacturers flourish again and do not flourish again. Enterprise once more goes forward with a bound, and enterprise does not bound forward at all, but remains inert and dead.

The farmer, with his fat-lean kine, rejoices and weeps. The collapsed bins of 10,000 farmyards are bursting with high-low wheat.

The gold organ performs this paradox for the reason that it must. According to the organ, the adoption of the Wilson bill in 1894, in place of the war-tariff schedule that had been aggravated to an inflammation by the McKinley law, prostrated all enterprises, ruined all industries; and neither can the one revive nor the other ever flourish again until the flamboyant protective scheme shall be restored. Therefore, saith the capitalistic press,

business does not flourish and can not flourish again until the wrong shall be righted, after the next Presidential election.

But, on the other hand, crieth the organ, the adoption of the single gold standard, instead of the bimetallic standard of the Constitution, has restored confidence, and with the restoration of confidence behold how business revives! All enterprises rise from the dust; all manufactories rekindle their fires and pour forth their treasures. Hence business, in the same act and by the same token, both revives and does not revive! The proclamation of prosperity and of industrial despair goes forth from the same gold organ on the same day!

The fact that the alleged ruin of American industry by the passage of the Wilson bill and the alleged revival of all American industries by the coincident passage of the gold bill of 1893 do not consist seems not at all to trouble the advocates and owners of the honest dollar! All this furnishes instruction for the people and amusement for the few whose understandings can not be darkened with the lying obfuscations of a goldite newspaper.

#### 35. DEGRADATION OF THE CAPITALISTIC PRESS.

It is amazing to note the degree to which the capitalistic press has abandoned the people and embarked in the slavish services of the money power.

In the sancta of the ribald organs of unscrupulous power truth is a commodity, humanity a word, and principle a reminiscence! The metropolitan press, with a few recent and honorable exceptions, is the subsidized agent of Europe in America, fighting ever on the side of organized greed and the cruel aggressions of despotism, and fighting never on the side of freedom and progress and the rights of man.

Woe to truth and innocence in such a court! Woe to the weak and the poor! Woe to the humble man and all the children of distress and want! Woe to every enterprise and to every cause that is not the enterprise of plutocracy and the cause of cent per cent!

The newspaper press of New York City, in particular, presents a spectacle the like of which has never hitherto been witnessed in the world. It has combined of its own motion in a crusade against democracy. I do not mean the democracy of a party, but the democracy of man.

Never before has there been a motive sufficiently powerful to force these hostile evangels of power and pessimism into union. Not even in the civil war, when the nation reeled and quaked, did the newspapers of this great metropolis, that might be the pride of America, but is not, agree on anything. They have been in lifelong antagonism and deadly hostility. Now behold the scene; they are all as one in the service of that street whose name has become a byword throughout the continent!

No stronger argument could be afforded of the extreme peril of the people and of the necessity that is upon them to go diametrically against every monition and plea of the metropolitan press.

#### 36. PLUTOCRACY AND POLITICAL PARTIES.

The possession of the press, however, does not satisfy the plutocratic powers. They must also purchase and own the political organizations in every country where such organizations exist. It is a supreme point in the intrigue of the international gold trust to create an international political trust as the agent and propagandist of the great conspiracy. In this way it is hoped that the beneficiaries may be able to gather in peace the full fruits of their financial and industrial crimes against the people and the nation.

Until recently this policy of owning the political organizations has been highly successful in America. The leading political parties have differed from one another chiefly in the degree of their subserviency to the money power. It always comes to this in the last stage of partisan degeneration. The partisan logic of the epoch has been this: If we offend plutocracy, who shall pay our bills and load our caissons with the munitions of war?

The elections held in the United States from 1890 to 1894 have had no other significance than that of a blind attempt of the disorganized and confused people to punish the authors of their distresses, first one and then the other. The people have been groping in this manner, and have apparently been afraid to rise in political insurrection against their masters. They have followed their local leaders and the monitions of a political press that has been almost wholly in the possession of the enemy. Until the present year scarcely a single great newspaper could be found that in its tone has been heartily friendly to the common people.

#### 37. HOW "OUR GOLD WILL FLY AWAY."

The goldites have, in the meantime, invented a long list of arguments in terror. They are trying with bugbears to scare the people into submission. They declare that under free coinage our gold would take to flight. It would wing its way to foreign shores, they say. Gold coins, under the action of Gresham's law, would rise awing and fly away. The United States would be drained of gold and the nation left floundering and drowning in a sea of silver. A panic would ensue the like of which the world has never witnessed.

Than this nothing is further from the truth. If under free coinage our gold should begin to fly abroad, it would not, could not, continue to fly. For observe with care what the result would be. To simplify the argument, let us limit the supposed case to the United States and Great Britain. Suppose that in the United States we have an aggregate of two thousand millions of money. Suppose that one-third of this amount is gold, one-third silver, and one-third paper. Suppose that we have free coinage, and that under the working of Gresham's law our gold begins to flow to England. What will be the result on the price of gold at that point to which it flows? Manifestly gold will there decline, and it will continue to decline as long as the process goes on.

But what will be the result at the point from which the gold goes abroad? There the two thousand millions of money will be reduced, let us say, to fifteen hundred millions by the exportation of five hundred millions of gold. What will be the effect on the price of all the remaining money? Silver, being a large part of the remainder, necessarily begins to appreciate under the increased demand and the diminished supply of money, and it will continue to appreciate as long as the exportation of the dearer metal continues.

The price of that metal declines in London, and continues to decline. The price of silver rises in New York, and continues to rise. The process goes on until the action of Gresham's law is inevitably reversed. It goes on until the question solves itself by the certain and tolerably speedy equalization of the price of the two money metals in the market of the world.

#### 28. QUESTION OF THE DUMPING GROUND.

They tell us also that in case of the restoration of our coinage to the condition which it held prior to 1873, America, that is the United States, will become the dumping ground for all the silver in the world. Trainloads, boatloads, shiploads of silver will be seen coming from every direction. The country will thus be overwhelmed with a debased currency worth intrinsically but little more than copper or iron. This bugbear of the goldite imagination has been exhibited to the people in every place with the accompaniment of declamation and calcium light.

But where is this imported silver to come from? What country is to produce it? Where, for example, would England or France get the silver to send to us? Would they buy it of the United States in order to bankrupt us by returning us our own product? As for Germany, would she pull down the mediæval plate from her feudal castles and ship it as bullion to America? Russia has barely her own supply and must frequently resort to the American market to get what she needs for coinage and the arts. Great Britain has been obliged, for a long time, to buy in the American market from forty to fifty million ounces of silver annually.

The American mines virtually supply the demand of the world for silver; and yet under free coinage we are told that our country would be flooded with foreign importations! There might be such a thing as the importation of Russian lumber into Wisconsin, or East Indian cotton into Georgia, or Egyptian corn into Iowa; but a serious importation of silver into the United States is an unthinkable absurdity.

#### 29. WICKEDNESS OF THE "SILVER BARONS."

The minions of the money power, in their frantic efforts to blind and pervert the judgment of the American people, seek also to prejudice and enrage them against the "silver barons." Miners and mine owners, if it chance that their mines are of silver, not of gold, are held up to the scorn and contumely of the world. The people are asked to believe that there is an organized coterie of wealthy speculators in silver, and that they are combined in a nefarious scheme for promoting their own interests at the expense of the people and nation.

These "silver barons" are to send their 53-cent bullion to the mints of the United States and compel its coinage into 100 cent dollars, thus enriching themselves at the expense of the nation. At the same time the nation is to impoverish the people by returning to them only 53-cent dollars. Miraculous is this, that the dollars thus dropping from the national mints are to signify 100 cents each to the silver barons, in whose interest they are coined, and only 53 cents each to the rest of the people.

But what about the gold barons? Why should they be virtuous and patriotic while the silver barons are so base? Are not the gold speculators, if such there be, even as the others? Is it honorable to be a gold miner and dishonorable to be a silver miner? Do not the two pursuits stand upon precisely the same merits? Is it not as just and true to charge the owners of our gold mines with conspiracy and desperate intrigue against the Government and national honor as it is to rail against the "silver barons?" Why should we hold gold miners in one estimation and silver miners in another?

The fact is that the American people are not concerned in this controversy with the fortunes of either silver producers or gold producers. The American people wish well to the silver-mining

interest, and will promote it as much as may be without favoritism or injustice. The American people wish well to the gold-mining interest, and will promote that also as much as may be, without subservency or prejudice to other forms of human industry. They will promote and favor all mining as much as they will promote and favor any of the other primary pursuits by which the world is made richer, by which commerce is impelled, by which manufacture is suggested and the agricultural life inspired. But beyond this, the American people care nothing for the "silver barons" or for the gold barons—for either or for both.

The question before the American people is not a question of mining. It is not a question of getting silver bars or gold bars out of the caverns of earth, and their conversion into merchandise or coin by combinations of interested men. The American people consider this question from the national point of view. The special interest is disregarded. The cry of "silver baron" is no argument against the production of silver and its use as money. The charge that the demand for the restoration of complete and impartial bimetalism in the United States is a measure to favor the silver barons is as false as it is absurd.

#### 30. SHALL WE WAIT ON FOREIGN NATIONS?

Another point in the policy of the gold jobbers of the world is their pitiful plea that we should conform our financial policy or rather our monetary system to that of "the great commercial nations." This phrase, "great commercial nations," means, in the concrete, England. Our financial policy should be English. If we attempt an American policy, all the woes are predicted. Every calamity from local disorder to national bankruptcy will come down on us like night. This they tell us we must do, namely, await the consent of England before undertaking a policy of our own.

Bimetalism, if it is to be reached at all, says plutocracy, must be reached by "international agreement." So dependent are we! True, England has thirty-seven millions, and we are seventy millions of people; but we are younglings, weaklings! We are in the infantile stage! How should we know what kind of monetary system we desire? True, we are naturally a bimetallic nation. Nature provided this for us before the world was. Great Britain is a monometallic nation. She produces gold, but does not produce silver. She has to buy her silver of us. She wants a dear market for gold and a cheap market for silver. But we, according to the dictum of the money gamblers, must wait for bimetalism until Great Britain assents to it.

We have the spectacle in 1896 of a political platform, carefully excogitated by one of the great parties, in which is written this supreme absurdity: "We favor a gold standard, but we also favor bimetalism; we favor both. We favor the gold standard because we must. We favor the bimetallic standard because we would. We let 'I can not' wait upon 'I would.' We would have bimetalism if England would consent. We will have monometallism because England will not consent. If she would only consent, we would favor free coinage. Since she does not consent, we favor gold coinage only." On this preposterous, abject, and wholly un-American platform a great party calls for the support of an intelligent people!

#### 31. FALSE CHARGES OF THE PLUTOCRATS.

Aye, more, the creators of this extraordinary platform turn upon the genuine American patriots, who stand up for their own country and will have nothing of foreign dictation and foreign domination in our financial system, and denounce them in a storm of epithets and oburgations the like of which have never hitherto been heard in party warfare. Because men favor American bimetalism and will have it, the churlish opposition of Great Britain to the contrary notwithstanding, they are denounced as enemies of their country. We are called "repudiators," "defilers of the national honor," "robbers," "lunatics," "communists," "anarchists," and, indeed, everything which the vocabulary of vituperation can furnish.

The idea that the masses of the American people, who have rallied by the million to the standard of free coinage, are repudiators, communists, anarchists, and robbers is too absurd to require refutation. To it all we answer with one argument—contempt. There is only one kind of anarchy in this country, and that is the high-up anarchy of the millionaires. They it is, and not others, who defy the law and consider themselves above both law and law-makers. They it is who regard the Constitution as a rag. They it is who regard the Government as their possession and even the Army as their agent for enforcing a plutocratic despotism upon the masses.

These men are few but powerful. They are said to number in all between four and five thousand in the United States, though they are probably twice that number. They are combined in a common cause. Among them there are many honorable exceptions. To the credit of humanity be it said that there are millionaires who are as great as they are wealthy. Others are as noble as they are strong. Some of them have gone so far as to



renounce their kind and to espouse the cause of the people; but the great majority are bound together in an effort to put the people down and to stamp upon the residue of popular liberty.

In the United States there is no prejudice against the rich. There may be some natural jealousy among the poor directed to those who are in abundance and ease, but there is no deep or settled prejudice toward them. It is not because the millionaires are millionaires that they are disliked and dreaded by the masses of the American people, but because they are tyrants and spoilers. They are, we repeat, the only practical anarchists in the United States. They believe in no government but their own. They trust nothing to the good will and justice of their fellow-men. They wholly despise and condemn free institutions. They look with supreme contempt upon democratic government. They think popular elections the means of perpetuating the bad and of engendering mobocracy. They heartily, in their souls, disbelieve in democracy in all of its moods and forms, and squint ever at monarchy and the restoration of monarchy and the spread of it into America as the greatest good.

Than these men no human beings could be further removed from the standard of true American manhood. They are wholly un-American. They are unpatriotic. They are untrue to society. They are true to nothing but themselves and their own selfish interests. They regard life as a battle to preserve and increase the millions which they have heaped up by the spoliation of society. They concede nothing to the masses. They regard the masses as no more than the concrete of clay and sand on which their own superb palaces are reared. For men as men they care nothing. Humanity to them is dirt. Human rights they disregard. Liberty they trample on.

By them the great public is openly damned. Government they try to destroy, except in so far as government will serve them. They conform, in a word, to the exact definition of anarchists. They will have no government at all—no control, no supreme authority over them—unless, forsooth, they can construct such authority by their own agents and be sure that when it is constructed it will operate only for the promotion of their interests and the further destruction of the interests of the people at large.

#### 42. HATEFULNESS OF THE MONEY DESPOTISM.

All forms of despotism are repulsive and inhuman; but nearly all of them have some redeeming traits. Every kind of slavery is degrading to the human race, but even slavery is sometimes touched with the pencilings of humanity that excuse, if they do not redeem it. The oriental tyrant of antiquity put men and nations under the wheels of his war car and dragged them along, but he sometimes encouraged enlightenment and promoted peace.

The Roman emperor was the bloated and conscienceless exponent of a cruel race whose bloody passions were untempered by any of the softer and more serene virtues; but he had great strength of character and was sometimes magnanimous. Marcus Aurelius was a poet, philosopher, philanthropist—a gentle and humane ruler, the latchet of whose sandal the age was not worthy to unloose. The feudal lords of the Middle Ages were cruel and ferocious chieftains; but they brought chivalry into Europe and scattered the germs of politeness and literature wherever they built their castles.

The average European king has been an ignorant and arbitrary wretch; but he has, in many instances, shown true courage and a praiseworthy devotion to his subjects. The old, proud devotee of African slavery in the United States, the owner of a thousand human chattels, was not infrequently humane and good. Mark well the character of George Shelby, the friend and avenger of poor Tom. The great generals of the Confederate army (and they were great generals) were nursed, not a few of them, on the bosoms of old mothers as black as their souls were white. But the money power—the plutocracy—what shall we say of that?

Other kinds of wrong and oppression have been redeemed with something so like the virtues of life as to make them tolerable, but the money power, the imperial plutocracy which is now intrenching itself in every quarter of the world and planting its batteries for the defense of a colossal despotism built on the ruins of human liberty, is untouched by any gleam of discoverable goodness! It is unredeemed by a solitary trait that history may record in its favor. It is the coldest, cruelest, coarsest, and most irrational tyranny that ever had mankind under its heel. It is the most calculating, Mephistophelian, low-flying form of power that ever triumphed over the rights and hopes and aspirations of man.

Princes, nabobs, tyrants of all kinds and degrees, have been wont to relent sometimes and display themselves in better mood, but not so plutocracy. They are sometimes generous and kind, but the money power never! Plutocracy, once victorious over man, will bind him, as it is now attempting to do, cast him down, and sit on his breast, smoking cheroots and sipping absinthe, while the crows pick out his eyes and premature worms wriggle in the sockets!

Plutocracy in America will be even as it is in Ireland. Here

also, as there, it awaits its opportunity to evict the humble toiler and his wife and children from their hovel, and to fling broken chairs and straw mattresses after them into the night. Here, too, as in Russia, it is ready to seize upon the insurgent patriot of the field or village and send him whirling into Siberian exile. Here, too, as in India, the nabob and begum are waiting their opportunity to build up ivory palaces and tombs out of the proceeds of the toil of American peasants. Here, too, as in every land under the sky where it has gained the victory, plutocracy only awaits its opportunity to laugh freedom to scorn, to put democracy under foot, and to hale civil liberty to prison and to death.

#### 43. THE NATION AT LAST AWAKE.

To the alarming aggressions of the money power, the nation is at last awake. The common people are in revolt. Their instincts and reason and sense of justice have led them at last to break through the meshes of falsehood that self-interest and unscrupulous power have woven around them and to rise in political insurrection.

Once on a time the tocsins sounded in France to the answering shout of "the people risen against tyrants." That great uprising was flecked with blood upon a background of flame and devastation. The American revolt is not of this frightful kind. It is the indignant but quiet uprising of the new democracy. It is a political revolt which portends a peaceable revolution in the administration of government. It portends simply this: The restoration of the government to the people and its conduct in the people's interest. It signifies the revival of the old patriotic and uncorrupted theory of our Republic—namely, that it is a Republic resting upon the consent of the masses and administered in their interest. It is a revolt against the new and spurious theory of the Republic, that it rests upon the support of special interests and is administered for the good of the classes only.

#### 44. IT IS A REVOLT OF THE PRODUCERS.

The political insurrection of 1896 is, first of all, an uprising of the producers against those powers that have for thirty years planned to take and consume the products of labor without just or adequate compensation. It is a revolt of the farmers, of the merchants, of the humble artisans, of the tradespeople, of all who labor in field or shop or market to create the resources of life or to distribute them to consumers. It is a revolt of all the primary industries, and of the secondary industries involved therewith, against those high-up industries which, under the false and arrogant pretense of being functions of the "business interests" of the United States, are, in reality, only variations in the great sport of gold gambling.

Be assured that these methods of getting gain which prevail around the bourses and in the exchanges of great cities, both American and European, are not business at all. They are refined and dishonest methods invented by the ingenuity of the beneficiaries for getting something for nothing; for appropriating the proceeds of the labor of the millions without even the semblance of an equivalent; for grabbing by sleight of hand the wealth of others without incurring the dangers of the law.

#### 45. WHAT ARE THE "BUSINESS INTERESTS?"

What are, in fact, the "business interests" of America? The business interests are production as well as merchandising. They are manufacturing as well as trade. They are all the honest and rational industries of the people, applied first to the soil, secondly to the shops, thirdly to the stores and streets; last of all and highest of all, to the intellectual and moral resources of the nation. The idea that business is that high-up, occult, and shadowy fact which we see in spectral outline behind the bond, behind the stock exchange, behind the secret conclave of millionaires banqueting at night is one of the false and pernicious aphorisms which the enemies of public liberty have promulgated by a subsidized press to delude the people and lead them to their own destruction.

Nay, nay; business is not speculation. It is not gambling. It is not bond selling and bond holding and bond jobbing; but it is something better than these. Business is the garden and the orchard. Business is the humble potato patch and turnip field. Business is the plowed land, the fallow land, and the barnyard with its cackle, its bleat, and its clatter of incoming wagons, with its neigh of horse and answering low of bullock and cow and ox. Business is the meadow and the oat field; it is the cornfield and the field of golden wheat; it is the cotton field bursting into a field of snowflakes, and the dark, waving sea of sugar cane; it is rice and flour and hominy and bacon and beef; it is all the resources of life taken from the ground and from the animal kingdom by the industries and energies of the free and patriotic laborers of America.

Business is also the dark mine of coal and iron, of copper and lead, and silver and gold. It is the deep shaft into which free men go down, not to become slaves, but to remain free men in the dark caverns below, and to rise with their carloads of carbon and heavy heaps of ore free as they were before. Business is the riches of the underground as well as of the soil. The miner shall not be counted out from the list of business men, for a business is his

more important to the interests of the world than is the business of the speculator in stocks or the wrecker of railways.

Business also is the shop. It is the place of the bench and the forge. It is the plank wall where the carpenter's planes and saws and hammers are hung. It is the blacksmith's anvil and his glowing fire and his ponderous sledge. It is the wagon shop and the shop of the plow. It is the manufactory where implements of husbandry and the industrial arts are made by thousands; where men are gathered by hundreds and by thousands; where the sawdust makes misty the air, and the shavings of wood and iron and steel spin with singing noise from a hundred lathes; where the tires are welded and the wheels are made and wagons and carriages and reapers spring up under the industrious hands of free men. It is every establishment which enterprise has created, which genius has developed, which industry and invention have perfected for the good of the human race.

Business also is trade. Commerce is one of the honorable pursuits of men. Business is the store. It is the mart. It is the street and the lumbering vehicle. It is the wharf and the boat and the ship. It is the flying train traversing the land of the free with its cargo of life and its burden of merchandise. Business, in a word, is not gambling, but honest work. The "business interests" are the interests of the laboring people of America, and not the special interests of stock jobbers and money kings, of speculators and manipulators and bond gamblers on two sides of the sea.

But business is more than this; more than all of these. It rises still higher. There is a business of the mind and heart. The schoolhouse is business, and the academy and the college. Every place where human beings are taught the elements of a nobler life is business. The mother's knee and yearning heart are business, without which the world would be a blasted desert. Invention, too, is business, and so are art and learning and literature. Every upward impulse of the human soul seeking for noble things is business, and woe be to him who chokes it. Woe to him who strangles the mind and denies to the opening intellect the blessing of the sunshine and the day!

Type and composing stone and revolving cylinder of Hoe, and printed leaf, on its flying mission of truth to men, are business. The book and the map are business as well as the shovel and the saw. There is one business of the body and another business of the mind. It is business to labor with the hands and it is also business to labor with the thought. To speak and to write in the cause of truth is business as well as to turn the soil or wield the sledge or drive the flying train.

#### 46. ATTEMPT TO CREATE FICTITIOUS ISSUES.

Meanwhile the attorneys of the international gold trust are striving hard to create fictitious issues upon which to induce the people to divide and agitate. One boss says, lo, here, and another boss says, lo, there. Now it is the revival of the tariff question; now it is the mythical Monroe doctrine; now it is the annexation of Hawaii or Cuba; now it is Venezuela; now it is Armenia; now it is this, and now it is that, in the hope that the people may be deluded therewith and lose sight of the fundamental question of their wrongs until what time they shall be completely bound and translated out of the character of free men.

How much further this malevolent and ruinous work can be carried on before the end comes no man may well foretell. Summer and winter come and go, and the distress of the country continues unabated. A measure of forced activity has been produced in the business world. After the horrors of a three years prostration the haggard workman returns downhearted to his tasks. A crippled tenant husks the corn in a field that was his own. He is an old soldier. The farmer and the mechanic labor on in hope deferred that a better day is coming. Whether it will ever come depends upon the people themselves.

In one of the inspired passions of the French Revolution, the Democrats made a statue like a Titan, and set it up near where the Bastille had stood. They called it *Le Peuple Hercule*. It was the People Hercules. It represented the great ideal in its strength and majesty. Whenever the spirit of such an ideal shall repossess our American citizenship, the end will come, and the people will recover their own.

#### 47. WHAT IS IT TO BE AN AMERICAN PATRIOT?

What is it, then, in this year 1896, to be a true American? What is it to be a patriot? It is to stand under the broad folds of the Stars and Stripes and defy the world. It is to be an independent man, afraid of nothing. It is not to taunt the Old World nations or to denounce them; for they, too, are composed of peoples who toil and wait. They are as human as we.

To be an American, a patriot, is to love mankind and to try to serve the human race. It is not to strut and parade; but it is to love our country and to honor our country more than all else in the world. It is to revere the memory of our fathers. It is to glorify the Revolution that made us free and independent. It is to believe the Declaration of Independence the greatest and best polit-

ical document, the noblest charter of freedom and equality, that was ever traced by the pen of man. It is to love American things because they are American. It is to defend our free institutions at every challenge, even with the life.

To be a true American is not to fawn or creep in the presence of any power or combination of powers in the world. It is to stand up. It is to demand and have our own. It is to be above the blandishments of authority and the corruptions of money. It is to despise the mercenary spirit, and to look at human life as something nobler than merchandise. It is to walk abroad "with malice toward none, with charity for all." It is to look with compassion rather than hatred even on the truckling un-American hordes of plutocracy cringing at the knees of foreign states and daring not to step or breathe without the consent of the directors of the Bank of England.

#### 48. SHAMEFUL SUBSERVIENCY OF A POLITICAL PARTY.

The spectacle of a great political party in America awaiting the beck of England! The spectacle of a party submitting its platform, after publication, to a syndicate of Anglo-American bankers, whose hearts are in one country, while their brains are in another! The spectacle of such a party parading itself as the patriotic party, as the American party par excellence, as the embodiment of pure purpose and political virtue! Surely the day of impudent mendacity has risen on the world, and the two-faced giant of Sham has usurped the throne of truth.

The standard bearer of this party of subservency bows down with his followers and leads them in prayer before a foreign throne. In accepting his nomination to be President of the United States—the greatest and highest station in the world—he says:

Until international agreement, it is the plain duty of the United States to maintain the gold standard.

He further says:

The Republican party has declared in favor of international agreement, and if elected President, it will be my duty to employ all proper means to promote it.

This is humiliating. Bimetallism is either right or wrong. It is either a good policy for the United States or it is a bad policy. If it is good, the Republican candidate wants to postpone the good until Great Britain will let us have it. If it is bad, he is in favor of it unless Great Britain will not let us have it. If the gold standard is good, he will uphold it only so long as Great Britain is for it. If the gold standard is bad, he will stand for it always until Great Britain consents to bimetallism. Good or bad, he and his party are in favor of the one or the other just as Great Britain shall dictate. Political shame and humiliation can go no further.

The writer of this claims to be an American. He claims to be a patriot. The venerated dust of his Revolutionary great-grandfather is at rest in a humble grave on the crest of an old Virginia mountain. I shall not go back on the graves of my ancestors. Many of them have fought the battles of freedom. Their blood is fresh and hot in the veins of their descendant, and, by the stars on high, he will stand by their memory and glorify their deeds and honor their record to the end of his days. I believe in independent America and in her institutions; the one shall live and the other shall be defended by true hearts and brave voices while the world endures.

#### 49. WHAT FOLLOWS?

If plutocracy wins the impending battle, what follows? We do not venture on prophecy, but only point out the logical and historical tendency of a present victory of the money power over the people. Such a victory tends to bring in a long train of disastrous results to the American people, and if to them, then to the whole civilized world. If the battle goes against the people, plutocracy will become not only triumphant, but rampant and riotous in its triumph. It will turn victory into license. It will at once proceed to fortify itself and to make sure of all that it has won. It will recompense itself liberally for all its arm and expenditure. It will laugh to scorn all protest and moderation.

In the first place, the gold standard will be fixed and fortified, and under it all the values of the world will be bolted down as if in an iron sarcophagus. All legal tender paper money will be canceled and destroyed. This part of the programme is already openly declared. The existing silver coinage will next be attacked, and not a dollar of it will be spared as primary money. It will be sent to the silversmiths, to the smelting pots of two continents, to the bullion shops of every mart, to the mints for subsidiary coinage, to every place where it may be consumed, until not one dollar of our old constitutional money shall remain.

The vacuum thus produced in the money supply of the people will be filled with bank bills, issued and loaned, expanded and contracted, at the pleasure of the owners. The banks, with a small stock of gold, will send out their own notes ad libitum till the country is filled to plethora. Money will be wonderfully "easy," and for the day the false verdict against the people will be glorified. But in another day, the first day of alarm, this great nation will fall prostrate before the banks.



Then will come a panic in comparison with which all preceding financial storms that have swept the country will be as zephyrs to the awful hurricane. Such will be the ruin that the fragments of exploded enterprises will not be worth the gathering. Before such a storm not a single legitimate business can survive. He who wishes to contribute to this catastrophe, and to hasten its coming, has only to follow his leaders until the victory of the money power over the people shall be confirmed by a majority of votes.

And in the twentieth century, what? For the ominous shadow of the present reaches far into the future. It requires no prophetic eye to discern the consolidation of political power following hard after the consolidation of wealth. With that comes a great standing army, and then the total suppression of popular liberties. Then the masses in the cities will become the hotbeds of sedition, and the masses in the country will subside into a peasantry without hope. The commercial and social league with Great Britain will be made organic and perpetual. Bondholding will be the one honored and profitable enterprise of men. Production will get a servile reputation and labor will become the vocation of serfs. The European condition, in a word, will come and prevail, and free American citizenship will be a thing of tradition.

On the other hand, if the people shall win the fight, a new era of freedom and progress will open to the people of our country. The success of the popular cause will signify the beginning, but not the completion, of a work upon which nearly all that is good in civilization depends. If the people win, it will be the triumph of men over things. It will be the lifting up of American manhood. It will be the assurance that no form of slavery shall exist under the Stars and Stripes.

It will be the confirmation of the work of Washington, of Jefferson, and of all the patriots of the Revolution. It will be the ratification of the life and work of Lincoln and of the great statesmen and warriors who surrounded him in the dark but heroic days of our national trial. It will be the victory of truth over falsehood; of right over wrong; of justice over injustice; of republican virtue and democratic simplicity over aristocratic arrogance and the hollow pride and tinsel of an artificial life.

Such a victory will bring back the nation and people to the straight ways and modest ambitions of the fathers. It will check the license of wealth and put a bit in the mouth of plutocratic lawlessness. It will be the proclamation of justice among men and the subjection of all the combinations of greed to the rights of the individual. It will reestablish local self-government; decree equal burdens to the rich and the poor; foreshadow the adequate reward of labor; give assurance of protection to all alike in the enjoyment of the blessings of life and liberty.

It will make impossible the further cunning and fraudulent manipulation of our currency—the further substitution of a long and dishonest dollar for the honest dollar of the law and the contract. It will save to us a portion, at least, of the people's money. It will rescue from destruction the remnant of our old national greenbacks, made sacred with the memories of the Union war. It will make certain not only the preservation of our existing supply of silver money, but will open the mints to both metals alike.

It will break the corner on gold, and reduce the exaggerated purchasing power of that metal to the normal standard. It will restore and maintain the commercial parity of the money metals, and compel other nations to follow our lead in the cause of universal bimetalism, which is simply the option of the debtor to pay in the cheaper and more convenient standard unit of either, according to his preference and the terms of the contract.

It will destroy a hundred prevailing monetary and financial fallacies which have been invented, always in the interest of the fund holders of the world and never in the interest of the people. It will bring back the Government, in all its departments, to the noble manners and pure practices which, during the first century of our existence, made us the pride and envy of the nations. It will put in authority men of the people. It will present a President, a Congress, and a Supreme Court to whom the welfare of the people is the first great concern and to whom syndicates and trusts and all special interests are either unknown or of no concern at all.

It will open the way for the great and salutary reforms to which the attention of the people is already turned, but which have thus far been postponed or defeated by the ruling powers in our Government. It will restore to honor the agricultural life. It will make a coal mine as respectable as a bank. It will decree the honor and respectability of all honest labor, and turn the sarcasm of prostituted art against the gamblers of the stock pit and the arrogant progeny of idle wealth.

If the nineteenth century closes in the United States with an unequivocal victory of the people, it will be the fitting counterpart of the great battle which was fought and won at the close of the eighteenth century. That heroic epoch was called the age of revolution; this shall be called the age of humanity.

## The Tariff.

Agriculture, Manufacturing, Commerce—These Three, but the Greatest of These Is Agriculture.

Our agricultural is our greatest interest. It ought to be predominant—all others should bend to it.—*Clay*.

Agriculture feeds us; to a great degree it clothes us; without it we could not have manufactures and we should not have a commerce. These all stand together, but they stand together like pillars in a cluster, the largest in the center, and that largest is agriculture. \* \* \* When tillage begins, other arts follow. Farmers, therefore, are the founders of human civilization.—*Weber*.

I know of my own observation that the farms of Ohio are worth not much more to-day (June, 1894) than they were thirty or forty years ago.—*Senator Sherman* (Senate).

New York: Farm lands have depreciated 31 per cent in value in ten years. Thirty per cent of the farms in the State are mortgaged averaging 66 per cent of their estimated valuation.—*United States Agricultural Report*, 1894 (Dodge).

We find general depreciation of farming lands. \* \* \* City property is increasing in value, while farm property is growing less and less valuable.—*New York Tribune*, August, 1889.

The manufacturers and the trusts get the protection and the profits of the tariff, the farmer the husk and the humbug.—*Butterworth* (Republican), House, May 14, 1890.

The policy of protection is a wrong on labor. The laboring classes are not protected—only the manufacturers. The rich receive the protection.—*Grand Master Powderly*, November, 1889.

## SPEECH

OF

HON. JOHN W. GAINES,

OF TENNESSEE,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

MR. GAINES said:

MR. SPEAKER: When the tariff bill was being skyrocketed through this House in the first few days of this session of Congress, I had the honor to demonstrate upon this floor, by incontrovertible facts and figures taken from official records and established authority, that this country enjoyed its highest periods of general prosperity during the times that tariff was lowest and levied purely for revenue, and silver, like gold, was open to free coinage at the ratio of 16 to 1. If that is true, Mr. Speaker, and I challenge gentlemen on the other side to disprove it, it should be conclusive inducement to Congress speedily to return to the practices that yielded so richly in benefits to all the people.

No man dare rise in his seat here and assert that the protective system has benefited the body of the people, unless he does it in ignorance of the facts, or in mere brazen disputation in the face of the facts, as was done upon this floor this session, when it was asserted upon this side that the necessity for the issuance of bonds originated under a Republican Administration and an order was issued by the Secretary of the Treasury to prepare the plates to print them.

When the assertion was made, a gentleman of the opposition [MR. GROSVENOR], presuming upon the popular ignorance, or else wrapped in his own lack of information, in blind, partisan impertinency, openly denied the fact, and then when I brought the official proof before this House that the deficit which exists to day, and which has been charged with so much persistency and rancor to Democratic inefficiency, was created under Republican mismanagement, and the bond issues in time of peace, which have been so lustily charged to Democratic incompetency, were made necessary by Republican maladministration—I say, when I proved these facts conclusively, that member had not the grace to admit his error nor to apologize for an attempt to mislead the country by denying the truth.

I say, sir, that the facts and figures which I submitted in my former speech demonstrate incontestably that the protective system does not benefit the body of the people. It is asserted, and I believe it, that the tariff bill before this House was not conceived in any such narrow purpose as the benefit of the body of the people. It has been asserted, and I believe it, that the Republican party agreed to pay this price to the trusts and the money lords for their aid in the late canvass wherein the will of the body of the American people was subverted by the power subscribed to betray them.

Gentlemen of the opposition, pretending to be zealous champions of the common people, are engaged to-day in an effort to foist upon the country a system that has been indisputably proven to be unconstitutional in its announced purpose, damaging to commerce,

ruinous to the people, and infamous in that it was conceived for the benefit of the rich and favored to the detriment of the many.

I deny their impertinent assumption of the sole custodianship of the rights and interests of the people. I deny that in the spirit that conceived this desperate measure there is one single generous impulse or purpose to befriend the people upon whom these Judas kisses are so liberally bestowed. The people are not to be so easily deceived when you seek to cover up the sinister purpose that underlies this measure by shouting lusty protestations of undying concern for the poor wage earner, whose pockets are being picked as he is fondled.

I desire now, Mr. Speaker, to supplement what I have already said in substantiation of these charges by further citation of proofs. I have no hope, of course, to change the course of the current that has swept down like a Gulf Stream from the other end of the Avenue, bearing threatening admonitions of wrath to come to hungry slobberers at the pie counter unless this bill is speedily passed, but I have confidence in the ultimate triumph of truth and in the integrity and patriotism of the American people, and I appeal my remarks from this presence, where the question is already prejudged, to the people who are the real parties in interest, and I would show to them that even while you were passing this ruinous bill the proofs were at hand that it was wrong in principle, unconstitutional, and damaging.

Gentlemen base their contention that they may invoke the powers of government to aid classes of people upon the "public welfare" clause of the Constitution, that has been stretched and warped by greed and ignorance and selfishness until it is made to stand sentinel while robbers are at work, and stand sponsor at the grannying of all manner of infamous jobs and schemes. They falsely assume that they are legislating for the body of the people, believing that they have the wool safely over the public eye.

They falsely assume that they are the especial champions of wage earners and that this measure is designed to benefit them, and they pretend to imagine that the people are gulled by such false friendliness as that. They falsely assume that the wage earners, whom they pretend to be so solicitously troubled about, constitute a majority of the people whose interests are at stake, and it is to this last false assumption that I desire to call the attention of the country.

I deny that this bill is either designed to or will really promote the public welfare. I deny that it will promote the welfare of the wage earners, and I deny, even were I to admit that it would benefit them, that the wage earners to be affected constitute a majority of the people whose interests are in jeopardy.

Mr. Speaker, I arraign the Republican party at the bar of public opinion upon indictment preferred by an outraged people, and charge it with the foul murder of the agricultural interests of this country. I call upon that party in the name of the millions who toil between the plow handles to give an account of the interests committed to it and which it has basely betrayed. I arraign the Republican party for that it has, by prostituting the powers and benefits of Government to the selfish uses of its masters and owners, the trusts and money lords who paid for it with a price, reversed, or seeks to reverse, the order of creation and repeal the mandate of the Most High when he decreed that man should earn his bread in the sweat of his face.

In sustaining this indictment for the foul assassination of the farming interests of the country, I am not called upon to prove the corpus delicti, for the corpse lies stretched and mangled before the jury. Time was that agriculture was a profitable vocation and men found both profit and pleasure in following it. It has been the boast of our greatest men that they came from the farm. But now, after the Republican party has gotten in its devastating work, the man who comes from a farm may indeed boast that he got away from it before he starved.

I call upon the Republican party to answer for the desolation and penury that obtain in the rural homes in this fair land where once was plenty and contentment; and in the name of this people, who constitute the bone and blood and brain of the country, I

demand that legislation in this Chamber be directed in their behalf.

Accepting the challenge based on the assertion that this bill is justified under the "public welfare" clause, I deny that the public welfare is promoted, even if it is admitted that every single person engaged in manufacturing and mechanical pursuits is benefited by it, and I appeal to the official records for proof.

There are 22,735,641 people engaged in all occupations (census). Out of these, 9,013,201 are engaged in agriculture and only 5,691,669 in manufacturing; that is, 39.20 per cent of all the people are farming, while only 22.39 per cent are in the manufacturing industries. Gentlemen will seek to evade this showing by the bald, bare assertion that the tariff bill will help the farmer; but I challenge them to the proof, and they dare not attempt to demonstrate it. The wreckage strewn pell-mell throughout this broad land and the cries of distress that are heard coming from farms and homes in every direction are mournful refutations of the assertion.

By the unutterably destructive policy of the Republican party it has brought the great armies of sweaters and toilers engaged in agriculture on the one hand and manufacturing on the other into antagonism, arraying them against each other. That party falsely assumes to be the friend and champion of the manufacturing wage earner, because by such assumption it can cover up its designs to manipulate Government for the sole behoof of the trusts. In its heart it has no concern for these wage earners, and if it suited its purposes as well, it would as readily pose as the champion of the toilers.

Even taking it upon its own ground, however, and assuming that its false pretenses are holy convictions, the argument by which it hopes to deceive the country into believing that this bill is justified under the Constitution by the public-welfare clause falls to the ground in the light of the figures that demonstrate that the public welfare is being impeded and checkmated by the act.

Already the mutterings of the wrathful condemnation of the people are heard, but it is a warning that the party of spoils dare not heed, for it has agreed to deliver the goods and has taken the price for them. It dare not even permit the organization of this House lest it can not hold its own members in leash and prevent some of them from joining with the Democrats to do some kind of legislative service for the people.

And now, Mr. Speaker, I desire to submit, that the country may know the facts, and that it may know that this House acted with full knowledge of the facts that demonstrate the illegality, inutility, and inexcusability of such legislation, some figures culled from official sources in direct substantiation of the positions I have assumed. I desire to show that this policy of alleged protection has been the ruin of agriculture. It is a great fundamental fact that everything for the benefit and sustenance of man comes out of the ground, and there can be no possible wealth accretion that comes not from this source.

Whatever, therefore, tends to dam up this source of supplies, or impede the free exercise of the right to delve for nature's bounties, strikes at the foundation of popular ease and happiness. Here in the ground nature hides her benefits and invites man freely to delve for them, and when any man or party deliberately lays an embargo upon the natural, God-given right freely to exact from nature the sustenance which she liberally provides for her children, and seeks to make it tributary and secondary to something else, that man or party is sinning in the sight of God and committing atrocious treason against the people of the land.

In order that the argument and the figures may not even seem to be prejudiced in favor of my contention, I have selected for investigation and comparison the ten manufacturing States of Delaware, Massachusetts, Maine, New Hampshire, New Jersey, Ohio, Vermont, Pennsylvania, Connecticut, and New York, which States have enjoyed most the benefits, if any, of protective tariffs, and then I aggregate the whole United States, and I invite a study of its comparisons which I can not fully make manifest by the mere reading of its figures.

Table showing a comparative statement of the growth and product of farming and manufacturing.

[From census reports.]

State.	Estimated value of farm products. a					Value of products of establishments engaged in manufacturing and mechanical industries. b				
	1850.	1860.	1870. c d	1880.	1890.	1850.	1860.	1870. c	1880.	1890. e
Delaware			\$8,171,667	\$6,320,345	\$6,481,590	\$4,649,296	\$6,892,902	\$16,791,382	\$20,514,438	\$37,571,848
Massachusetts			32,192,379	24,193,881	28,072,500	157,743,994	255,545,922	553,912,569	631,135,294	899,169,463
Maine			39,470,044	21,945,489	22,040,280	24,661,077	38,163,254	79,407,521	79,829,763	95,090,569
New Hampshire			22,473,547	19,474,330	19,761,050	23,164,593	37,590,453	71,038,249	74,976,029	95,770,549
New Jersey			42,735,199	29,650,750	28,987,340	39,851,250	59,380,104	180,257,732	254,386,536	324,573,571
Ohio			198,256,907	156,777,152	193,232,498	62,032,370	121,691,148	269,719,610	348,336,380	641,696,054
Vermont			34,047,027	22,082,656	20,364,990	6,570,920	14,037,867	22,184,086	31,354,396	39,240,000
Pennsylvania			183,946,027	139,700,476	121,329,348	155,044,910	290,121,186	711,894,344	744,918,445	1,331,794,901
Connecticut			36,402,150	18,010,075	17,924,310	47,114,565	61,924,555	161,035,474	185,007,211	249,636,264
New York			353,689,193	178,085,686	161,563,069	237,597,249	378,870,930	795,194,651	1,080,080,596	1,711,577,671
United States			2,447,638,058	2,212,540,927	2,409,107,454	1,010,106,016	1,880,861,070	4,232,395,442	5,369,879,191	9,372,437,293



Table showing a comparative statement of the growth and product of farming and manufacturing—Continued.

State.	Value of farms. <i>f</i>					Capital invested by establishments engaged in manufacturing and mechanical industries. <i>g</i>				
	1850.	1860.	1870. <i>c</i>	1880.	1890.	1850.	1860.	1870. <i>c</i>	1880.	1890. <i>e</i>
Delaware.....	\$21,230,591	\$35,338,946	\$52,171,837	\$41,714,319	\$45,620,400	\$2,978,945	\$5,452,887	\$10,839,000	\$15,655,822	\$33,005,400
Massachusetts.....	121,933,041	139,888,090	138,482,891	164,288,950	147,677,402	88,940,292	132,702,327	231,677,862	303,803,185	630,332,341
Maine.....	66,852,091	97,424,385	131,128,193	123,805,039	122,347,283	14,009,152	22,044,020	39,708,100	49,988,171	80,419,808
New Hampshire.....	66,432,023	83,297,400	99,205,801	88,715,693	80,207,575	18,242,114	23,274,094	36,023,743	51,112,263	70,419,808
New Jersey.....	135,342,305	202,131,598	296,854,830	212,678,330	182,452,914	22,393,258	40,621,048	70,006,719	106,226,593	250,375,160
Ohio.....	415,630,929	770,056,642	1,200,458,541	1,261,726,203	1,195,698,864	29,019,538	57,295,303	141,924,904	188,939,614	290,805,745
Vermont.....	78,749,757	114,196,989	108,506,189	130,811,490	101,805,370	5,001,377	9,498,617	20,329,637	23,263,224	402,793,019
Pennsylvania.....	464,068,086	754,166,275	1,194,786,853	1,005,405,324	1,002,930,846	94,473,810	190,055,904	406,821,845	474,510,963	901,243,115
Connecticut.....	82,086,453	104,480,565	145,633,019	135,185,894	108,050,706	25,876,648	45,500,430	95,281,278	120,480,275	227,001,696
New York.....	630,202,067	956,366,584	1,494,738,190	1,216,637,765	1,139,310,716	99,904,405	172,895,652	366,994,320	514,246,575	1,130,161,195
United States.....	3,967,343,580	7,980,493,063	11,124,958,747	12,104,001,538	15,982,267,689	533,245,351	1,000,855,715	2,118,208,709	2,790,272,606	5,525,156,489

*a* See copy of letter to Hon. Patrick Walsh. Not reported prior to 1870.  
*b* This is the gross value of products of establishments engaged in the manufacturing and mechanical industries that reported an annual product valued at \$500 or more. It includes the cost of materials.  
*c* The values for 1870 are expressed in a currency which was at a discount in gold.  
*d* Includes betterments and addition to stock.  
*e* Includes some industries not reported or not fully reported at previous censuses.  
*f* Includes the value of land, fences, and buildings, implements and machinery, and live stock on hand.  
*g* Includes the value of land, buildings, machinery and implements, and live assets; it does not include the value of hired property.

Population of ten selected States and of the United States.

State.	1850.	1860.	1870.	1880.	1890.
Delaware.....	91,532	112,216	125,015	146,608	168,493
Massachusetts.....	904,514	1,231,056	1,457,351	1,783,085	2,238,943
Maine.....	583,769	628,279	626,915	648,936	661,086
New Hampshire.....	317,976	324,073	318,300	346,991	376,530
New Jersey.....	499,555	672,095	906,093	1,131,116	1,444,933
Ohio.....	1,980,329	2,339,511	2,665,200	3,198,062	3,673,316
Vermont.....	314,130	315,008	330,551	332,286	332,422
Pennsylvania.....	2,311,786	2,906,215	3,521,951	4,286,891	5,258,014
Connecticut.....	370,792	460,147	537,454	622,700	746,238
New York.....	3,067,394	3,880,735	4,382,759	5,022,871	5,997,853
United States.....	23,191,870	31,443,321	39,558,371	50,155,783	62,622,250

I call the earnest and considerate attention of the honorable members upon the other side of this Chamber to the vast difference that is manifest between the growth of the product and value of farms and the growth of the product and value of manufacturing and mechanical industries, and I call particular attention to this, that neither keep pace with the growth in population, but that agriculture lags far behind and is still receding, while manufacturing spurts away out ahead and is proceeding with continued accelerated ratio.

These should bear some kind of relationship; keep at least in sight of each other, and the fact that there is such a vast difference conclusively shows that there is some kind of undue stimulating influences used in the one case and unwarranted depressing causes brought to bear in the other. We do not have to search far to find the pernicious influences that are creating this unhealthy and damaging state of affairs. The cause proceeds from that policy, inaugurated in Republican councils and expressed in Republican legislation, that seeks to take from the people and give to the favored classes that undertake to keep that party in power for the price of these things.

The figures are not to be accurately had back to 1830-1840, but it will be observed that the value of farm products has been on the decrease ever since protection was instituted, that the value of farms has also decreased, and the figures as far as they go back abundantly sustain the contention which I elaborated when I last addressed the House upon this bill, that everything grew and prospered most when the antewar-tariff-for-revenue policy prevailed.

I have arranged another table which deals in percentage, and shows with more exactness how agriculture had been strangled and not allowed to keep pace with other industries and with the increase in population; and if this is true in these States that have been the conspicuous beneficiaries of protection, how much more are the other States damaged that are forced thus to suffer in their farming operations and get less of alleged compensating benefits of protection.

Table showing percentage of increase or decrease in farm products, value of farms, manufactured products, value of manufacturing plants, and population.

	Decade ending—			
	1860.	1870.	1880.	1890.
Farm products:				
Ten States.....	Per cent.	Per cent.	Per cent.	Per cent.
Whole United States.....	Dec. 28+	Dec. 9+	Dec. 7.53	Inc. 11+
Value of farms:				
Ten States.....	Inc. 54+	Inc. 29+	Dec. 8.10	Dec. 6.28
Whole United States.....	Inc. 101+	Inc. 34+	Dec. 8.8	Inc. 32

Table showing percentage of increase or decrease in farm products, etc.—Ct'd.

	Decade ending—			
	1860.	1870.	1880.	1890.
Manufactured products:				
Ten States.....	Per cent. Inc. 71+	Per cent. Inc. 118+	Per cent. Inc. 20.9	Per cent. Inc. 48+
Whole United States.....	Inc. 84	Inc. 124+	Inc. 27+	Inc. 74+
Value of plants:				
Ten States.....	Inc. 74.24	Inc. 104+	Inc. 29+	Inc. 108+
Whole United States.....	Inc. 80+	Inc. 100+	Inc. 31+	Inc. 119+
Population:				
Ten States.....	Inc. 21.9	Inc. 15.5	Inc. 21	Inc. 19
Whole United States.....	Inc. 35.58	Inc. 22.63	Inc. 30.08	Inc. 24.80

Table showing wages paid in manufacturing enterprises for the whole United States, the product per man, with adjoining column showing per cent of entire wealth owned by farmers and its astonishing decrease.

Year.	Wages per annum.	Product per man.	Entire wealth of farmers.
1850.....	\$247.37	\$1,062	Per cent. 62
1860.....	288.95	1,438	75
1870.....	367.86	2,060	36
1880.....	346.09	1,968	15
1890.....	480.67	2,023	14

And now I present a table showing the number of persons engaged in the two pursuits and the ratio they bear to the whole army of wage earners, with a view to showing with entire accuracy that the main fact upon which my argument is based is literally and absolutely true, to wit, that the class for which the Republican party pretends to be legislating is not the body of the people, and that, upon the other hand, the class they are legislating so assiduously against is the body of the people:

Table showing population by occupations in the United States.

Occupations.	Number of persons engaged in—		
	1870.	1880.	1890.
Agriculture.....	6,141,393	8,004,624	9,013,301
Manufacturing.....	2,450,872	3,414,349	5,601,669
All occupations.....	12,505,923	17,392,099	22,735,661

Observe how the ratio in agricultural pursuits is diminishing as the decades go by, and that in manufacturing and mechanical pursuits is increasing. I am aware that this is an age of invention, and that this country has made great and commendable strides in manufacturing, and I must not be understood in any sense as decrying all legitimate effort and aid in stimulating production and building up the industries; but I call these figures to witness that this disparity is too gross and that these industries, as meritorious as they are and fraught with wealth, should not be permitted to strangle everything else and monopolize all the fortuitous aids that Government may afford.

This illegitimate state of things is the fruit of Republican protection. It is driving men out of agricultural pursuits because they are not permitted to prosper at them; it is drying up the source of wealth increment ordained by nature, crowding the cities with men driven from the farms, who go to seek employment under the hot-house policy that pretends to foster manufacturing; and finding it not, they go to help the armies of tramps

marching on to the pale realms of the poorhouse, the malcontents, strikers, beggars, and criminals that are the brood hatched out by Republican misrule as it ministers to inordinate greed, the legitimate outcroppings of pernicious legislation instituted in total disregard for the public welfare, and designed only to pay a party's debt with the people's money.

Table showing totals and percentage of increase and decrease in farm products, farm values, manufacturing products, and manufacturing plants in the ten States, by decades.

	1850.		1860.		1870.		1880.		1890.	
	Value.	Change.	Value.	Change.	Value.	Change.	Value.	Change.	Value.	Change.
Farm products.....		Per cent.		Per cent.		Per cent.		Per cent.		Per cent.
Farms.....	\$2,162,567,500		\$3,243,338,074	Inc. 54+	\$35,801,098		\$600,207,855	Dec. 28+	\$553,804,814	Dec. 7.73
Manufacturing products.....	761,080,049		1,304,770,063	Inc. 71+	4,911,455,345	Inc. 29+	4,470,009,013	Dec. 8.10	4,100,121,139	Dec. 6.28
Manufacturing plants*.....	401,400,579		609,420,290	Inc. 74.24	2,854,530,137	Inc. 118+	3,450,802,877	Inc. 20.9	5,433,502,937	Inc. 48+
					1,420,294,041	Inc. 104+	1,848,241,715	Inc. 29+	3,838,293,571	Inc. 108+

\* These figures do not include the property hired for use, amounting to many millions, and which would very largely increase the percentage of gains in value of plants.

Mr. Chairman, I must not be understood, I repeat, as in the least remote degree decrying manufacturing, and neither would I withhold one legitimate help to enable America to make everything that the people of all the nations need and push her commerce to the uttermost corners of the earth. What I do desire to be clearly understood as contending is that it is not all of life to live the life of a manufacturer in this great country, and that it does mean the death of all things when agriculture dies; that even admitting, as I do not, that the public welfare may be promoted by protection, these figures indisputably show that the great body of the American people are engaged in other pursuits and that the policy and design of this bill is to their detriment, so announced in its very caption and proclaimed in all its schedules.

The persons engaged in manufacturing constitute only 22.39 per cent of the whole; and shall the interests of this one-fifth dominate and destroy all others? The people who till and delve in the ground have a right to demand their full, even share of the benefits of government. They do not ask to be permitted to ride roughshod over all things else and greedily crowd every other interest away from the board, but they deny the right of the Republican party to trade them off to pay its debts and make them subservient to interests that belong to the rich and greedy.

It is proper to state that the tables I have prepared are based upon figures furnished by the Commissioner of Labor at my instance, and are accurate only for comparisons. That is to say, some items were omitted in one census and included in another, and it is estimated that while the figures may not be strictly exact, the totals are sufficiently accurate to make reliable comparisons.

I had designed, Mr. Speaker, to construct an argument upon another and grosser feature of this bill, to wit, the unequal distribution of wealth that it has brought about. The facts are well known and have been so vigorously exploited on so many occasions that it is unnecessary now to adduce the statistics to show that the country is falling a prey to hastening ills because of the factitious aids vouchsafed by legislation to favored classes to accumulate all wealth in a few coffers.

Protection, sir, is a monster and a monstrous churn, wherein is deposited all the prime elements of commercial and industrial wealth, to be churned until they yield up their fat, to be skimmed off and appropriated by the lords high proprietors, leaving the whey and curds for the rabble to scramble for. It is the incarnation of false pretense; a misnomer; a lie upon its face; the embodiment of sophistry and vicious deception, in that it holds out to wage earners the fallacious promise of benefits and entices them into lending their aid to the great scheme of grab that is the foundation principle of Republican policy and the end and aim of its existence, that is piling up Ossas of wealth upon Pelions of fortunes, building up a narrowed circle of potentates into royal squads of "four hundreds," who by the power of their aggregated wealth dominate and direct the business of the country for their own special behoof, and have even acquired such proprietary interest in Government that they pull out their wads and buy a Presidency and then sit at the committee tables in this forum of the people and write out the schedules and the rates by which they seek to tax the people to add more gold to their bursting coffers.

Mr. Speaker, could I invoke the ghost of the murdered ocean commerce of this great country and have it shake its gory locks in this Chamber, what affrighted scampering there would be upon the other side of that aisle. I can imagine the frightful specter as it alights from a phantom ship at the portals of this House and stalks into this presence clad in the somber cerements that ill conceal the ghastly wounds that brought it to its cruel death, barring these red-jawed scars to the startled gaze of gentlemen descendants of its murderers and themselves conspirators after the fact, and I can see it make gruesome obeisance before that awful ros-

Observe these ten favored States, how farming has been sacrificed. I present yet another table setting out with clearer distinctness the inequality upon which these two great factors of wealth are made to stand—how the one goes up and the other down with ratios that tally obversely with an exactness that indicates that the one prospers at the expense of the other. I beg you to study it.

trum where sat the director-general of the lords high executioners who presided at the wake, and floating on beyond that awful desk it passes without that door, and pointing its skeleton finger straight in upon our honorable Committee on Ways and Means it squeaks, "Thou didst it!"

Anchored at the portals of this Chamber rocks the phantom ship that bore this spectral visitor from the pale realms of shade, stranded and rattling in its timbers, with broken spars and shredded sails, with dripping seaweed tangled in its rotting ropes, matted with clinging barnacles, careening and squeaking, dismantled and disjointed, the pitiful wreck of a once royal merchant marine, stranded upon the rocks of rapacious greed and swept to destruction beneath the waves of a vicious protective policy.

The Republican party, forgetful of all things else except the interests of those who keep it up for their uses, has wiped from the face of the earth our home-owned merchant service and now lays its unholy hands upon the great agricultural interests, and is dragging it down and down to its destruction, sacrificing to the insatiate Moloch of protection the most sacred trust committed to it. The country has its eye upon you, gentlemen, and I warn you that a long-suffering people will turn and rend you when it fully realizes the full measure of the perfidy that inspired this bill.

The toilers at the plow handles are the body of the people, and in their name I charge you with the foul assaults this bill makes upon their interests, and demand that their affairs have some consideration. You will not heed it. You dare not disobey your masters. You have tied yourselves up in bonds that can not be severed, and you have entered upon a career that must be pursued to the end. You will realize the full measure of the enormity of this bill when the people arise and smite you in their wrath. Already they are speaking, and the thunders of their condemnation are heard even in the State that furnished the idol at the other end of the Avenue and of him who held the money bags that wrought out the big majority that sits in this Chamber. I offer you the proofs of your wrong. You will reject them, but the country will receive them.

I desire now to submit as a part of my remarks the great argument made by Daniel Webster and his distinguished associates early in the history of tariffs, which lays down fundamental doctrine as sound to-day as it was then and which never has and never will be shaken.

#### THE TARIFF IN 1821.

At a meeting of merchants and others interested in commerce and agriculture, at Boston, August 17, a subcommittee of seven, consisting of Messrs. Perkins, Gardner, Webster, Welles, Shilmin, Sturgis, and Door, were appointed and submitted a report to an adjourned meeting at Faneuil Hall, October 2, on the tariff act then pending, as follows:

#### RESOLUTIONS AND REPORT.

"We therefore recommend the adoption of the following resolutions:

"Resolved, That we have regarded with pleasure the establishment and success of manufactures among us, and consider their growth, when natural and spontaneous and not the effect of a system of bounties and protection, as an evidence of general wealth and prosperity.

"Resolved, That, relying on the ingenuity, enterprise, and skill of our fellow-citizens, we believe that all manufactures adapted to our character and circumstances will be introduced and extended as soon and as far as will promote the public interests, without any further protection than they now receive.

"Resolved, That no objection ought ever to be made to any amount of taxes equally apportioned and imposed for the purpose of raising revenue necessary for the support of government, but that taxes imposed on the people for the sole benefit of any one class of men are equally inconsistent with the principles of our Constitution and with sound policy.

"Resolved, That the supposition that until the proposed tariff or some similar measure be adopted we are and shall be dependent on foreigners for the means of subsistence and defense is, in our opinion, altogether fallacious and faulciful and derogatory to the character of the nation.

"Resolved, That high bounties on such domestic manufactures as are principally benefited by that tariff favor great capitalists rather than personal



industry or the owners of small capital, and, therefore, that we do not perceive its tendency to promote national industry.

*Resolved*, That we are equally incapable of discovering its beneficial effects on agriculture, since the obvious consequence of its adoption would be that the farmer must give more than he now does for all he buys and receive less for all he sells.

*Resolved*, That the imposition of duties which are enormous and deemed by a large portion of the people to be unequal and unjust is dangerous, as it encourages the practice of smuggling.

*Resolved*, That the proposed tariff and the principles on which it is avowedly founded, would, if adopted, have a tendency, however different may be the motives of those who recommend them, to diminish the industry, impede the prosperity, and corrupt the morals of the people.

Your committee beg leave to report that we have examined the proposed tariff and submit to you some remarks relating to its probable operation on the community and to the principles on which it is professedly founded. We shall not enter into a minute discussion of its details, as the imposts which ought to be laid depend in every case on a variety of considerations peculiar to itself, and as we do not consider it any part of the duty assigned to us to digest a code of revenue laws. Neither shall we invite your attention particularly to the effects of the measure on commerce, because we presume you wish to have it distinctly understood that the merchants in this vicinity neither expect nor desire any peculiar favors, nor any protection or encouragement whatever which is not required by the interests of the public. They were not forward, therefore, to oppose the duties recently recommended, however pernicious to themselves as individuals, believing it was their duty to acquiesce in them, if the public good required it, and that they would not be imposed if it did not.

But the influence which has been obtained by the zeal of private interests admonishes us that those whose situation and experience enable them to judge of the operation of this new system should exert themselves to diffuse such information as may tend to make its consequences rightly and generally understood. Its avowed object is to direct and control the occupations of men by granting special privileges to those engaged in particular pursuits. This can be done (waiving the important question whether it can be done at all without violating the spirit of the Constitution) only at the expense of the community for it is evident that

#### LEGISLATION DOES NOT CREATE WEALTH,

but simply transfers it from hand to hand, and can enrich one class only by impoverishing the others. It would surely be surprising that a system of restriction so unequal and so repugnant to all sound theory should be adopted by a free and enlightened people at a time when the greatest statesmen of Europe, after a long trial of it, are openly acknowledging its incorrectness, and whole nations suffering and lamenting the consequences of its adoption, and when our own unexampled success, under a more liberal policy, has given the sanction of experience to the deductions of reason.

#### PROHIBITORY DUTIES DEPRECATED.

This tariff would impose on certain foreign manufactures duties professedly and effectually prohibitory; and the question involved in its adoption is, not whether the consumer of those goods shall pay a higher price for them, but whether he shall be prevented from purchasing them at all; not whether the duty now levied on the importation of them shall be a little increased or diminished, but whether they shall be totally excluded. In one case this is already done. From the most accurate information, founded chiefly on official documents, it appears that from the year 1800 until the year 1812, both inclusive, the duties received on the importation of the coarse cottons of India amounted to more than \$2,938,000. But in 1816 the duty was raised to 6 cents on every square yard, about 84 per cent on their average cost, which, added to the necessary charges, equal 27 per cent more, has utterly excluded them, and the whole revenue once derived from this source is lost. Hence the organization of our Government there have been paid into the Treasury of the United States from the customs alone nearly \$350,000,000, while the whole amount of internal-revenue and direct taxes has been little more than \$34,000,000.

To prevent the importation of manufactures would of course deprive the Treasury of the imposts now levied on them, and an equal sum must therefore, in order to support the necessary expenses of the Government, be raised by some other direct or indirect tax on the people.

#### CONSUMER PAYS THE TAX.

The Committee on Manufactures who prepared the tariff did not overlook nor deny this consequence of its adoption, and in order to remedy it provided that an additional impost should be laid on all articles of general consumption or necessary use which are not raised in our own country, such as spices, coffee, and many others, forming a large part of our imports. A new impost on such articles, by increasing their price, would have some tendency to diminish their consumption, and thus prevent an increase of the revenue proportionate to the increase of duty; but making no allowance for this diminution, the additional duty on them would not nearly supply the deficiency occasioned by the loss of the imposts on manufactures. The chairman of the committee just mentioned appeared to be well aware of this fact, and declared it to be another inevitable consequence of their system that an excise should be imposed on domestic manufactures; and this, if our manufacturers are to have a monopoly secured to them, as seems to be contemplated, will be a new tax on the consumer. The first consequence, then, of excluding foreign manufactures by high duties is to create a necessity for some other tax equal to the whole sum now levied on them, and which will necessarily be lost by their exclusion. Another consequence, and the only one which benefits the American manufacturer, is to enable him to raise the price of his productions in our market by adding to it a sum equal to the difference between the present and the proposed prohibitory duty, which addition must be paid entirely by domestic consumers.

#### DUTY PAID BY THE CONSUMER.

No duty could enable him to manufacture for exportation; for if he can not at home enter into competition with foreigners without being protected by an impost, it is obvious that he can not rival them abroad where there is no such discrimination in his favor, and where he is burdened, as well as they, with the expense of transportation. Duties imposed for the mere purpose of revenue give an advantage equal to their whole amount to our manufacturers.

#### REVENUE DUTY RAISED IS DOUBLY INJURIOUS.

But by increasing duties until they become prohibitory the people suffer a twofold injury—the price of the goods prohibited is raised, and the revenue formerly collected from them is lost. With the sole motive, then, of empowering the manufacturer to raise his price, and thus tax the public in this way for his emolument, another tax from which he can derive no advantage is at once to be laid on the articles of general use which we can not produce, and hereafter still a third, either on the consumption of domestic manufactures or directly on property and labor. We should not object to any burden equally apportioned to raise the revenue necessary for administering the

Government; but to impose one tax for no other purpose but to facilitate the imposition of another seems to us to be a policy as whimsical as it is alarming.

#### TARIFF BURDEN FALLS ON THE POOR.

The burden occasioned by most of the particular duties recommended would fall on all the community, but chiefly on those least able to bear it. In this country the poor man personally consumes as much tea, sugar, and coffee as the rich, and though his clothing is not so fine, yet its cost constitutes a much greater proportion of his whole expense. Besides, this new tariff is so nicely adjusted as to lay a far heavier impost on coarse cottons and linens than on those of finer texture. It is obvious that an additional duty can have no effect except in so far as it increases the price or diminishes the quantity here of the foreign merchandise on which it is imposed, and consequently can be of no service to any manufacturers but those with our own market. All who have no foreign rivals here at present who now carry on their business successfully and supply the country with the fruits of their labor, can derive no advantage, direct or indirect, from a further duty on such articles as they manufacture, since they have already the exclusive possession of the market, and their prices are regulated not by foreign but by domestic competition. An additional impost on such articles as are made by these would be merely nominal and would have no effect, unless it were to blind them to their true interests and induce them, by the offer of protection, at once needless and futile, to bear, together with the rest of the community, a great and real burden for the sole benefit of those classes who now have foreign competitors.

#### FREE RAW MATERIALS.

Some manufacturers, as those of chocolate and refined sugar, would be greatly injured, and those of cordage, and so of iron, and distillers of molasses still more so, by the duties proposed to be laid on the raw materials of their manufactures, the price of which must thus be increased and their consumption lessened. The impost on iron is particularly injurious to industry. It is required for the machines of manufacturers themselves, for all the implements of agriculture and all the tools of the mechanic arts; and nails, of which 6,000 tons are annually made, and chiefly from foreign iron, are one of the very few of our manufactures now actually exported. A far greater number of men is employed in converting this material into articles of use than in extracting it from the ore, and surely the interests of the many ought not to be sacrificed to that of the few. The contemplated excise on domestic manufactures will not be confined to those to which alone this tariff affords a real and efficient protection, but extend to all. Let the manufacturers, then, who now carry on their business untaxed and those who buy their productions look to the end and mark the double effect of such excise in at once raising the cost and diminishing the consumption of them.

#### WAGE EARNERS GET NO BENEFIT.

The manufacturers above mentioned must immediately suffer, together with the farmers and all other citizens, the double burden of a new tax to supply the deficiency of the revenue, and an increase in the price of clothing and of those little, innocent, social luxuries which have hitherto been so greatly enjoyed among us. And for whose emolument? Principally, in effect, for that of the manufacturers of cotton, wool, iron ore, and glass, men whose business requires considerable capital. We have no means of determining exactly the number of workmen engaged in these pursuits, but those employed on cotton are far the more numerous; and the greatest establishment for working this material, that at Waltham, which has a capital of nearly a half million, and which makes its own machinery, and does not pay a man beyond its own walls except the vendors of its goods, requires 300 persons, men, women, and children, to carry on its work. But however the number thus employed be estimated, it is manifest that it must bear so small a proportion to our population that the rate of wages throughout the country would not be perceptibly increased, and therefore these workmen would receive no more than the present price of labor. The gain, then, would accrue to the capitalists who own the factories, and to them alone.

#### BURDEN FALLS ON THE POORER CLASSES.

Thus according to this new scheme a great, certain, and immediate burden falls on the public, most heavily on the poorer classes, and redounds to the exclusive emolument of a few, and those few the wealthy. Surely such a scheme can only be justified by showing clearly that some definite ultimate national benefit will result from it fully equal to the present burden; and its advocates attempt to do this by urging, in the first place, that it is necessary for national independence. How is it necessary for national independence? In the elaborate defense of the system by the chairman of the committee who invented it we find it repeatedly asserted that "we must command our own consumption." Happily for us, this phrase is interpreted in the same speech, and it means, as it seems, that we must have neither imposts nor importation—in plain English, that we must use nothing but our own production.

#### FICTITIOUS AIDS UNNECESSARY.

In a certain sense we may be said to depend on foreign nations for whatever we receive from them. But they equally depend on us for the equivalent which we pay them for it, and this dependence is voluntary and mutual. Nor is it any derogation from national dignity. A sovereign who receives tribute from a foreign country depends on it for that tribute, yet he is not therefore its servant, but its master. If one country produces only labor and exports only manufactures, and another, in return for these, provides it with the raw materials composing them, the former may with most propriety be called dependent, for since every country has necessarily the capacity to labor in proportion to its population, that which produces the raw material may manufacture it whenever it chooses to do so; but the ability of the other to labor would be worthless if it could not procure the material to which that labor may be applied. The exchange of raw cotton, then, for manufactures, makes Europe dependent on America, rather than America on Europe. Ask the planter of the South which of the two is the dependent, himself or the Manchester spinner.

The farmer is the most independent man because he produces the means of subsistence and the materials for the labor, and the nation which does this holds, like him, in its own hands the means of commanding the exertions of others. The capacity of providing for our own support constitutes independence, and this is not diminished by exchanging our superfluous productions for those of other countries. If the goods we receive are comforts, or mere luxuries, we can subsist without them, but this is no reason for depriving ourselves of them unnecessarily. If they are manufactures of materials raised by us, and we might, by prohibiting their importation, make them ourselves, at a higher price than they actually cost us, is it not equally true that if the hostility of the nation which supplies us, or any other cause, should prevent their importation hereafter, we may make them at the same additional expense then? If so, we are not dependent. And why should we assume a burden now because it may fall on us hereafter, or how does it remedy a future and contingent evil to make it immediate and certain?

A wise nation, indeed, will not permit itself to be surprised by hostilities without the means of defense, and will beforehand, therefore, accumulate those munitions which are little needed in peace, but immediately requisite

in war, or at least provide the means of obtaining them. Food and clothing are also necessary for subsistence, and of course for defense; but the demand for these, being constant at all times, affords of itself a constant encouragement to their production without the special aid of government. With regard to all the means of defense, however, it is enough for independence and security if we have the ability to produce or procure them when they are wanted.

As to munitions of war, they should receive whatever encouragement is necessary; as to food, we are burdened with it; as to clothing, the very proposal to prohibit immediately the importation of foreign manufactures used for this purpose implies of itself a conviction that we are already competent to supply our own wants. The quantity of naval stores required in peace being even greater than in war, the stock on hand for commercial purposes would, on a sudden eruption of hostilities, afford the means of protection until we could raise them. In thus considering the subject as it affects our means of defense we have taken the case assumed by manufacturers as most favorable to their pretensions—that of a war with all mankind. It is obvious that if there were any neutrals most of our wants would be supplied as certainly, though not as cheaply, as at present. We have found this to be true in our own wars, and all history confirms it.

But, so far would the enormous tax proposed on hemp and iron be from contributing to national independence that it would strike a severe blow at our freedom and security. By the existing treaty American and British ships are placed on the same footing, and it is a subject of gratulation that our countrymen now sustain the competition. The imposition of new and heavy burdens on our own shipping would tend to give the British the monopoly of our trade and to make them our sole carriers. When this is accomplished, there will be no lack of orders in council to regulate the trade of America, and the dependence which we shall suffer, unlike that of which we now complain, will be neither mutual, voluntary, nor terminable.

#### FREE MANUFACTURING BENEFITS MORE PEOPLE.

Another favorite phrase for the advocates of this system is that it would promote national industry. What is national industry but the industry of individuals? And what encourages it like high wages? And what sustains the price of wages but the demand for labor? And what tends so much to increase and support this demand as the employment of our whole capital in those pursuits in which the most labor is required? The occupations, then, in which a given capital demands and maintains the greatest quantity of human labor are most promotive of industry, and this is eminently true in a country where everything else is more abundant than capital.

The price of manufactures involves the cost of the raw material, the sum paid the owner of the capital employed in working it, and the wages of the workmen. It is when the wages are greatest in proportion to the whole price that industry is best paid and most encouraged. Machines for multiplying the effects of labor may indeed produce a great profit, but it accrues to the owners of them and not to those employed in managing them. Should anyone construct a machine so perfect that it would enable a single hand, by merely turning a crank, to supply the country with broadcloth, the possessor of this curious piece of mechanism would certainly make a fortune; but the laborer who put it in motion would receive not a cent more than the regular wages for turning a crank. The occupations in which money is laid out for complicated machinery for lands, buildings, and fixtures, to accumulate the raw material, or the means of converting it to use, or keep on hand a great quantity of the articles manufactured, so as to dispose of them most beneficially in the market, may afford a profitable investment for capital, but have no exclusive nor peculiar tendency to increase the price or the amount of labor.

The factory at Waltham tends to raise wages no more than every other establishment, however small its capital, which employs the same number of hands, and it is difficult to conceive a case in which industry or its reward can be increased by turning any number of men from one pursuit to another. The machines and implements for the aid of labor, which can be profitably employed with a very small capital, such as the tools of the mechanic, are most useful to the poor; those which require a large capital, to the rich. The former tend to diffuse wealth, the latter to concentrate it. Which is the most consonant to our institutions and character?

Those employments, such as household manufactures, which do not interfere with other business, but only occupy its intervals, do, indeed, increase the quantity of industry in a country. But these need the least encouragement. The labor devoted to them is an absolute gain to the individual, as well as to the public, and may be deemed to cost him nothing; hence he is in no danger from the competition of those who must derive the means of support, however small, from making similar articles. The same may be said of those which afford occupation to children and to the other classes who now subsist with little or no occupation. The subsistence of these persons being already provided for, their wages in such new employment would be clear profit. They can really afford to work for nothing, and will be induced to do so for next to nothing.

#### PROTECTION RUINOUS TO SHIPPING.

It is incumbent on those who would give aid to one class of men to be satisfied by clear proof that they shall not materially injure another class, who deserve at least protection. In the year 1810 the United States possessed 1,628,827 tons of shipping, and as 1 seaman is required on an average for every 20 tons, more than 81,000 men must have been employed in that capacity. For every hundred tons of iron are consumed, the price of working which is 4 cents a pound; hence the very labor of the blacksmith on the iron used in constructing these vessels, independently of subsequent repairs, was worth above four millions and a half of dollars. Among how many was this divided? The ship carpenters, valuing their labor at \$10 per ton, one-third less than has sometimes been paid, received for building these vessels more than \$14,000,000. It is a given rule that for every ton of shipping a ton of timber is necessary, and for this, at \$9 a ton, the farmer must have received nearly thirteen millions.

The average duration of our vessels, including losses at sea, is estimated at seven years; but suppose it ten, then, in order to maintain the same quantity of shipping, these supplies must every ten years be repeated, and this in addition to the whole amount necessary for repairs. Estimate the number of men thus supported and add to them the ship joiners, the boat builders, the mast makers, the block and pump makers, the painters, glaziers, and plumbers, the anchor smiths, the copper smiths, the carvers, sailmakers, riggers, rope makers, the bakers, butchers, packers, grocers, chandlers, coopers, lightermen, truckmen, stevedores, and laborers, the gunsmiths, the mathematical instrument makers, wharfingers, owners of wharves and warehouses, and all others who derive a subsistence from navigation, and their wives and children and all dependent on them, and see how wide a rain would follow the attempt to do what we are pleased to call "commanding our own consumption."

The coasting trade, it may be said, will be left. But to what will this amount after deducting all that portion of it which is employed in transmitting the goods received from other countries, or those destined to them, and in the vast traffic which ultimately results from commerce?

#### PROTECTION RUINOUS TO AGRICULTURE.

It has been asserted that this new project will be beneficial to agriculture; that though the farmer will pay a higher price for all he buys and be taxed more than ever for the support of the Government, yet he will be compensated for this by the creation of a better or better market for the produce of the soil. Is this true? That produce consists of articles of food or of the raw materials of manufactures. How is it possible that manufactures should extend the demand for food? Surely it will not be pretended, in spite of our own experience and that of all mankind, that manufacturing countries increase most rapidly in population or that they require greater means of subsistence than others. The farmer feeds all the inhabitants of the country now, and here he can do no more.

If, then, the demand for food can not be increased, the price can be raised only by diminishing the supply. If many now engaged in cultivating the soil are forced to quit the pursuit, the quantity of food raised may become less, and the price, of course, greater. Thus farmers are to be driven from their present employment to seek subsistence in another, and fields now under culture and laden with plenty are to be abandoned to desolation; and all this for the extension and encouragement of agriculture. Yet, though the domestic market for food could not thus be increased, the foreign might and would be diminished; for we can not afford to export our productions to other countries unless we will take what they can give us in return. Now, our farmer understands very well that a foreign demand for his produce benefits him by advancing the price, not only of that which is exported but of the whole quantity raised; he obtains more money for all that he sells, whether it is to be consumed at home or abroad.

The establishment of domestic manufactures would indeed create a demand at home for the materials of which they are composed, but at the same time would lessen the foreign demand to the same extent, because the nation which now supplies would cease to want that quantity of the raw material which it converts into manufactures for our market. And besides, to increase the price of such manufactures tends to diminish their consumption and consequently the demand for them and for their materials. It is the direct interest of the farmer that the raw material raised by him should be manufactured as cheaply as possible in order to increase this consumption and demand. It is also his direct interest, for this reason, that the smaller the portion of the price paid by the consumer the larger the proportion which the cultivator receives for his.

The extent to which his productions are manufactured and used is all that affects him, no matter by whom it is done or where. Some appear to imagine that our soil must always produce the same quantity, and that we have only to determine whether it shall be made use of at home or abroad. But this is not so. The productions of agriculture are created by the call for them. The existence of more grain and cotton than we actually use is only the consequence of the demand for exportation. Destroy the cause (as would be done by prohibiting importation) and what will become of the effect?

#### INFANT INDUSTRIES SHOULD BE WEANED.

There is, however, an argument in favor of encouraging particular employments by bounties or taxes which merits a different consideration. It has been justly urged that there may be occupations peculiarly adapted to our situation and character, and which, if once established, might be carried on here better than elsewhere, so as to afford their productions at a cheaper rate than is now paid for them. And yet habit and indolence and the natural attachment of men to the pursuits in which they have been educated, and the immediate expense of commencing the business, and the want of that skill which only time and experience can give, and a doubt how soon or how certainly the profit will be realized, may deter individuals from engaging in these occupations and induce them to persist in others less profitable to themselves and to the public; and that if these difficulties can be overcome by a present tax which will be more than compensated by the reduction of prices hereafter, it is good policy to impose it. On this principle encouragement has always been given by our Government to particular pursuits, and it should always be given to the full extent that this principle will warrant. By its adoption the whole subject is made a question of economy—of economy to consumers, who are all the people—and it becomes our duty not how to make manufactures dear, but how to make them on the whole cheap and abundant. The best and perhaps the only effectual mode of doing it is to promote competition at the lowest prices.

There is a difference in this respect between navigation and manufactures. Our ships engaged in foreign trade derive no advantage even in our own market from being near it; for all vessels must make two passages in order to carry goods from one country to another and bring back the returns, and it makes no difference which country is the first starting place. Our ships, too, when in the port of a foreign nation, are liable to have a tax imposed on them which shall prevent their entering into a fair competition with those of that nation in the trade between us. But our manufactures used at home (and these only are benefited by an impost) have an advantage over all foreign goods equal both to the expense of transporting the latter, estimated by Mr. Hamilton at between 15 and 30 per cent, and to the duty imposed on their importation here for the purpose of revenue.

Besides, no other nation can tax our manufactures so as to prevent their entering into competition with its own in our market, or can give its own any advantage over ours, but by granting a bounty on their exportation from its dominions. This bounty is never in fact equal to the cost of transportation and the impost here; and should it in any instance be greater, an equality would be produced by laying an additional duty, equal to the difference, on importations from the single country which granted the bounty. The policy of producing equality by such means—of raising prices to produce competition at high rates, when competition is useful only as it lessens them—may well be doubted. But on any ground, by what train of reasoning can it be shown that because a bounty is granted on the exportation of linens from England it would promote a free and general competition to prohibit or tax those brought from Germany? Yet this is the motive assigned for imposing a duty of 6½ cents on every yard of German linen costing 10 cents.

#### A USELESS SACRIFICE.

According to the principle above laid down, the reason for a tax increasing the price of goods for a time being to lessen it afterwards, and the only motive for a present monopoly to create future competition, it follows as an invariable rule that such tax or monopoly ought never to be perpetual, for this would be sacrificing the end to the means. As the burden thus imposed upon the public is certain and immediate, it follows also that those who call for it must show that a full equivalent will ultimately be received in the reduction of prices; otherwise the bargain is a bad one. Again, since every benefit ought to be purchased as cheaply as possible, it follows still further that they must prove the present tax to be the smallest which is competent to effect their professed object, for all beyond this is a useless sacrifice. It is, in our opinion, an insuperable objection to the proposed bill that its advocates make no attempt to show to what the advantage they expect will amount, or what amount of taxes is requisite for its attainment.

#### NATURAL AND UNNATURAL PURSUIT.

As a general rule, the employments which need the smallest encouragement are best fitted to our actual condition and most conducive to our



prosperity, and those which can be supported only by great bounties or taxes are shown by that very fact to be least adapted to our character and circumstances, and least likely to occasion a reduction of prices hereafter, by sustaining a free and general competition at the lowest rates. The enterprise and activity of our citizens leave little doubt that the pursuits most appropriate to our situation will ultimately be established without any extravagant aid from government, so that the only effect of assisting them would be to hasten their establishment. Is this an advantage worth the price we are called on to pay for it? Those who assert the fact are bound to prove it clearly.

It is only in a very clear case that this principle should be put in practice, since in the experience of nations the failure of such attempts has been much more frequent than their success, and has always produced mischiefs not easily remedied. The encouragement of silk manufacture in England is a source of great distress among the people and great embarrassment to the Government.

#### OBJECT OF PROTECTION IS CHEAPER GOODS.

The other question is equally important. Is the immense tax proposed to be laid in favor of particular manufactures necessary for their protection? Since true economy requires the expense of protecting those articles only which become cheaper hereafter in consequence of the protection, no manufactures should be encouraged from this motive but such as can be afforded by the market at a lower price after the difficulties of establishing them are surmounted; and these, of course, so long as they continue to maintain the price at which they can be sold at first, afford him a profit constantly increasing.

Whenever, therefore, the encouragement granted to any manufacture is sufficient to occasion its establishment and existence, its extension and the further emolument of those engaged in it may safely be left, and ought to be left, to time, skill, and industry. Can, then, the manufacturers, for whose benefit the new tariff is chiefly designed, exist under our present system? Do they in fact exist? Their zeal, activity, and almost success in the attempt to render their fellow-citizens tributary to their wealth seem to leave no room for that question. The necessity of supporting cotton factories is most strongly urged. Now, the price at which the manufacturers in our vicinity can go and take the cotton from the wharf and bring it back manufactured to the warehouse is little more than the mere imposts on the cottons of India, the only goods which would otherwise come into competition with it.

Though the advocates of the bill under consideration assume the name and the authority of the manufacturers of the United States, the great majority of our manufacturers would be directly and severely injured by its enactment. In this part of the country those most deeply interested in the pursuits to which it gives the greatest aid desire, as we believe, no further encouragement, but understand their true interests and are well aware that exorbitant taxes imposed for their profit could not be long in operation before their effect on other manufacturers and on the community would be known and felt; the natural consequence of which would be to cause a reaction in public opinion and induce the people in their indignation to withdraw the protection now afforded to our manufacturers and to leave them to contend at once with foreigners in our market, without any other superiority than that derived from being near the consumer and from duties laid for the sole purpose of revenue.

We rejoice to see manufactures flourish, and deem their spontaneous growth an evidence of wealth and prosperity; but to them and to all pursuits the best protection is that which is permanent. The great excellence of laws, and especially of such as affect the employments of men, is stability. By this only individuals are enabled to regulate their conduct beforehand and to calculate the chance of success in the occupations which they may select, without danger of having the bread of their industry snatched from their mouths by nice experiments and novelties in legislation.

The bill which we are now considering bristles with bounty and largess from caption to finish, distributing with most wasteful hand benefactions and gratuities, subsidies and cessions, to private enterprises. It avails nothing to talk of it in this presence and to tell members who are consenting to this foul wrong that it is unconstitutional, as I have already amply proven on another occasion, and so I summon the courts to appear against this monstrous illegality and against those who are committing this assault upon the people's rights without and within our sacred Constitution, and I lay it before the bar of the people and ask judgment upon the great iniquity.

THE OPINIONS OF MR. JUSTICE SHEPARD AND COMPTROLLER BOWLER HOLDING SUGAR-BOUNTY LEGISLATION UNCONSTITUTIONAL.

#### I.

Court of appeals of the District of Columbia.

The United States, ex rel. The Miles Planting and Manufacturing Company, appellant, vs. John G. Carlisle and Joseph S. Miller, respondents.

Appeal from judgment of special term of supreme court of District of Columbia, at law, No. 38835, McComas, J., dismissing petition for writ of mandamus.

Mr. Justice Shepard delivered the opinion of the court:

This is an appeal from a judgment dismissing a petition for a writ of mandamus. The petition was filed September 19, 1894, by the Miles Planting and Manufacturing Company, a corporation of the State of Louisiana, against John G. Carlisle, Secretary of the Treasury, and Joseph S. Miller, Commissioner of Internal Revenue of the United States.

Relator alleges that it is the owner of five different places in the State of Louisiana for the production of sugar; that under the inducement offered by the bounty provisions of the revenue act of October 1, 1890, commonly called the McKinley bill, it met all the requirements necessary to make itself a licensed producer of sugar thereunder; and that in compliance with the requirements of the law it gave the notice, filed the application, and executed a bond for \$251,000, as required by the law, and on July 2, 1894, received the necessary licenses for the production of sugar at each of its said places for the current year.

The petition sets out the provisions of the said act, which provide that the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe rules and regulations for the production of sugar, and, under the direction of the Secretary, shall exercise supervision and inspection of the licensed producers, and shall certify to the Secretary, after such supervision and inspection, the amount of money earned by each licensed producer, who shall have complied with the regulations, preliminary to payment under the appropriation made in the act.

It is further alleged that the required rules and regulations were made and published August 18, 1892, and have never been altered or abolished; that in accordance with its licenses aforesaid, relator gave notice and made application for inspection and supervision, as prescribed at each of its said places of production, for the sugar-making season then about to begin, and that respondents refused to obey the law and denied the demand.

The prayer of the petition is for a rule to respondents to show cause why a peremptory writ of mandamus shall not issue commanding them to carry out their said regulations, and the law, by exercising supervision and inspection as therein directed and provided for.

By way of return to the rule to show cause, the respondents filed an answer in which they did not deny the facts alleged in the petition, but based their refusal to comply upon the grounds that the act required was not ministerial; that the law had been repealed by the revenue act of August 23, 1894, and that, if unrepealed, it was not a valid law.

Relator moved to quash the return as insufficient; but the court, holding to the contrary, overruled the motion and dismissed the petition.

1. The first question to be considered is, Is this a case (conceding the validity of the act in question) in which a mandamus can be ordered?

The circumstances under which an executive officer may be compelled to perform an official act, and the principles applicable thereto, have been considered by us in two cases recently decided, *Seymour vs. South Carolina*, 2 App. Cas. D. C., 240 (22 Wash. L. Rep., 111); *International Con. Co. vs. Lamont*, id., 532, the last of which has been affirmed on appeal to the Supreme Court of the United States (December 10, 1894, 23 Wash. L. Rep., 1). Further discussion would add nothing new.

In the view that we have taken of the repealing clauses of the act of August 23, 1894, and their effect upon the claims of relator, we think it unnecessary to consume time in an examination of the details of the old law and the regulations made thereunder, with a view to determine whether the acts required of respondents call for the exercise of discretion or are purely ministerial. If the act has been repealed, and the rights of the relator have fallen therewith, there remains no duty which the respondents could lawfully perform.

2. This brings us to the question whether the repealing clauses of the law now in force had the effect to at once repeal the bounty clauses of the act of October 1, 1890, and to take away all claims thereunder.

The repealing clause, specially directed to the sugar-bounty provisions of the old law, reads as follows:

"Paragraph 182. That so much of the act entitled 'An act to reduce revenue, equalize duties, and for other purposes,' approved October 1, 1890, as provides for and authorizes the issue of licenses to produce sugar, and for the payment of a bounty to the producers of sugar from beets, sorghum, or sugar cane grown in the United States, or from maple sap produced within the United States, be, and the same is hereby, repealed, and hereafter it shall be unlawful to issue any license to produce sugar or to pay any bounty for the production of sugar of any kind under the said act."

This is not only a direct repeal of that part of the act, but also an express prohibition of any further payment of bounty.

It is contended, on behalf of the appellant, that the words following the repeal, "and hereafter it shall be unlawful to issue any license to produce sugar," must be held to show that "this repeal has reference only to licenses to be granted in the future, and not to licenses granted and existing at the passage of the act."

The meaning of the word "hereafter" must be controlled by the apparent general intent. Considering the length of time that the bill was on its passage and the changes that were made from time to time in this repealing clause before its final passage, it is not strange that the phrase, as finally worded, should lack something of precision. But without recurring to the proceedings in the House and Senate, or the debates therein, which are often unsafe guides to interpretation, we think it perfectly plain that the mere choice of this word and its collocation can not be given the effect contended for.

The repealing clause is one complete sentence, and the words quoted above are followed by these: "or to pay any bounty for the production of sugar of any kind under the said act." If it had been contemplated that the rights of holders of licenses taken out before the repeal should be respected and recognized as lawful, this intention would have been manifested also in an exception to the sweeping prohibition of the payment of any further bounties after that date.

It is an undoubted rule of construction that the special meaning or purpose that might, under some circumstances, be found to lurk in a single word or part of a sentence must yield to the plain intention disclosed by the whole.

The contention that by the use of the word "hereafter" the plain intent of the clause is to cut off the bounty only as to licenses thereafter issued seems far-fetched and untenable. The clause making it unlawful to pay "any bounty" under the act then and there repealed could only have application to licenses taken out by parties under the old law while the passage of the new one was delayed. No new license could be issued, and consequently no payment of bounty could be made thereunder after the repeal of the old law; hence the express prohibition of payment could only apply to claims made under the licenses that had been previously issued.

It is further contended that the relator, by reason of its compliance with the law then in force, is not a mere licensee, but must be considered as a party to a contract who has acquired a vested right and property interest. Then, assuming this contractual relation and the existence of a vested right, it is claimed that it is expressly protected and exempted from the operation of the repeal by the saving clause in paragraph 72 of the new law, as follows:

"Paragraph 72. All acts and parts of acts inconsistent with the provisions of this act are hereby repealed; but the repeal of existing laws or modifications thereof embraced in this act shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil case before the said repeal or modifications; but all rights and liabilities under said laws shall continue and may be enforced in the same manner as if said repeal or modifications had not been made."

This clause is substantially like the repealing clauses of former tariff or revenue acts, and was not intended to embrace or to refer to the provisions of the act relating to the bounty.

"These different parts of the act, in respect to their operation, have no legal connection whatever with each other. They are entirely separable in their nature, and in law are wholly independent of each other. One relates to the imposition of duties upon imported articles; the other to the appropriation of money from the Treasury for bounties on articles produced in this country." (*Field vs. Clark*, 143 U. S., 698.)

For the foregoing reason, it was proper, if not necessary, to enact separate repealing clauses adapted to the nature of these two separate and distinct objects; besides, the revenue part of the law was not abrogated, but substituted merely by another for the same general purpose.

In view of the special repealing clause relating to the bounty provisions of the act, paragraph 72 must be referred to the provisions of the tariff act alone. The saving of rights and liabilities thereunder was rendered proper and necessary by the enormous volume of business done under the act and the difficulties and litigation attending upon its construction. An unconditional repeal of its provisions, thereby terminating rights and destroying liabilities accrued thereunder, would have been attended with great confusion and probable loss of revenue to the Government, as well as injustice to individuals.

Conceding the constitutionality of the bounty law, for the sake of argument, it is clear that the claim of petitioner, by virtue of its licenses, even if it might be considered property as between third persons claiming the expectancy, constitutes but a step in the process of securing a mere bounty or gratuity offered by one Congress which another had the undoubted right to

recall. The authority for this view is overwhelming, and it is too plain to admit of question. (*Salt Co. vs. East Saginaw*, 13 Wall., 373; *Welch vs. Cook*, 97 U. S., 541; *Newton vs. Commissioners*, 100 U. S., 548; *United States vs. Teller*, 107 U. S., 64; *Ponnie vs. Reis*, 122 U. S., 464; *Crenshaw vs. United States*, 134 U. S., 99.)

The claim under such an act is but a mere inchoate interest or right, at the best, and no more a contractual or vested right than has uniformly been held with respect to the right of an informer or an officer in penalties and forfeitures under revenue or penal laws. (*United States vs. Morris*, 10 Wheat., 246; *Norris vs. Crocker*, 13 How., 429; *Dorshelmer vs. United States*, 7 Wall., 116.)

Our conclusion, therefore, is that the repeal of the bounty provisions of the act of October 1, 1890, was immediate and complete, without excepting or protecting any such right as relator claims thereunder, and consequently there remains no duty with respect thereto that the respondents might or could lawfully perform.

3. The constitutionality of the bounty law has been raised by the respondents and fully argued. While its decision might be evaded under our conclusion with respect to the repeal of the law, we think the question one that should be met and determined.

The situation is very different from that presented to the Supreme Court in *Field vs. Clark*. There the question was not distinctly involved in nor necessarily incidental to the matter in controversy. Congress had enacted the law, the Executive had approved it, and the executive officers recognized its validity and were engaged in its execution. The great pecuniary interests to be affected were not before the court and might have been injured without a hearing. Here the question is raised by the officers of the Government and its decision invited. The party at interest is the actor in the litigation, and began its suit with the knowledge that if correct in its other contention, this question lay directly in the path of its prayer for relief.

The power of Congress to pay bounties to manufacturers or producers in order to encourage the manufacture or production of any article has never been passed upon by the courts. By the very nature of Federal taxation and appropriations of public money, questions respecting their validity are very difficult to be raised. There is no simple mode of challenge, as is the case in the States, where the taxpayer, having a direct interest, can invoke relief through injunction, if need be.

We have already referred to the case of *Field vs. Clark*, and the manner in which the question there arose and the reasons for which it was not decided. *Calder vs. Henderson* (2 U. S. App., 627) has been cited as upholding the power, but the question was not involved in the case. The question there was simply whether the inchoate right to the bounty of a licensee recognized by the law and the executive officers of the Government passed to his assignee for the benefit of his creditors, and it was held that it did. As between the parties, it was held to be an expectancy which could be assigned as property under the authority of *Williams vs. Heard* (140 U. S., 529), *Comegys vs. Vasse* (1 Pet., 196), and other cases.

The principle, however, which underlies the question, and upon which its solution depends, has, in our opinion, been time and again asserted and applied in the court of last resort in such cases, beginning with *Calder vs. Bull* (3 Dall., 366). In that case Mr. Justice Chase announced a sound doctrine as regards the construction of legislative powers in this country in vigorous language, from which we quote:

"I can not subscribe to the omnipotence of a State legislature, or that it is absolute and without control, although its authority should not be expressly restrained by the constitution or fundamental law of the State. The people of the United States erected their constitutions or forms of government to establish justice, to promote the general welfare, to secure the blessings of liberty, and to protect their persons and property from violence."

"The purposes for which men enter into society will determine the nature and terms of the social compact; and as they are the foundation of the legislative power, they will decide what are the proper objects of it. The nature and ends of legislative power will limit the exercise of it. . . . There are acts which the Federal or State legislature can not do without exceeding authority. There are certain vital principles in our free republican governments which will determine and overrule an apparent and flagrant abuse of legislative power, as to authorize manifest injustice by positive law, or to take away that security for personal liberty or private property for the protection whereof the government was established. An act of the legislature (for I can not call it a law) contrary to the great first principles of the social compact can not be considered a rightful exercise of legislative authority. The obligation of a law in governments established on express compact and on republican principles must be determined by the nature of the power on which it is founded."

The learned justice then proceeds to enumerate certain laws that might be enacted, and among them "a law that takes property from A and gives it to B," and says again:

"The genius, the nature, and the spirit of our State governments amount to a prohibition of such acts of legislation, and the general principles of law and reason forbid them. . . . To maintain that our Federal or State legislatures possess such powers, if they had not been expressly restrained, would, in my opinion, be a political heresy altogether inadmissible in our free republican governments."

The impressive declaration of the limitations upon legislative power pronounced in 1798 has lost none of its force or vitality through lapse of time, but has been substantially affirmed and reaffirmed in cases before the same high tribunal and others. (*Loan Association vs. Topeka*, 20 Wall., 655.) The point decided in that case was that an act of the legislature of Kansas authorizing and empowering cities and towns to encourage the establishment of manufactures and such other enterprises as may tend to develop and improve such cities, either by direct appropriation from the general fund or by the issuance of bonds, was beyond the power of the legislature, and therefore void.

The truly great opinion of Mr. Justice Miller therein affirms the doctrine of Justice Chase in *Calder vs. Bull*, and advances it further in application to the great power of taxation. He says:

"It must be conceded that there are rights in every free government beyond the control of the State. A government which recognized no such rights, which held the lives, the liberty, and the property of its citizens subject at all times to the absolute disposition and unlimited control of even the most demerited depositary of power, is after all but a despotism. The consent of the majority, if you choose to call it so, but it is nevertheless a despotism."

"The theory of our governments, State and national, is opposed to the deposit of unlimited power anywhere. The executive, the legislative, and the judicial branches of these governments are all of limited and defined powers. There are limitations on such power which grow out of the essential nature of all free governments. Implied reservations of individual rights, without which the social compact could not exist, and which are respected by all governments entitled to the name. . . . To lay with one hand the power of the government on the property of the citizen and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation; it is a decree under legislative forms. Nor is it taxation. . . ."

"We have established, we think, beyond cavil, that there can be no lawful tax which is not laid for a public purpose. It may not be easy to draw

the line in all cases so as to decide what is a public purpose in this sense and what is not. . . . But in the case before us, in which the towns are authorized to contribute aid by way of taxation to any class of manufacturers, there is no difficulty in holding that this is not such a public purpose as we have been considering. If it be said that a benefit results to the local public of a town by establishing manufactures, the same may be said of any other business or pursuit which employs capital or labor. The merchant, the mechanic, the innkeeper, the banker, the builder, the steamboat owner are equally promoters of the public good and equally deserving the aid of citizens by forced contributions. No line can be drawn in favor of the manufacturer which would not open the coffers of the public Treasury to the importunities of two-thirds of the business men of the city or town."

The only dissent from the judgment and the opinion in that case was by Mr. Justice Clifford, who maintained the absolute power of the legislature of the State, save when restrained by the provisions of its own or of the Federal Constitution. The doctrine of the case has been sustained and followed by a unanimous court in two later cases, presenting substantially the same issues. (*Parkersburg vs. Brown*, 106 U. S., 487; *Cole vs. La Grange*, 113 U. S., 1.)

In the second of those cases Mr. Justice Gray, speaking for the whole court, said:

"The general grant of legislative power in the constitution of a State does not enable the legislature, in the exercise either of the right of eminent domain or of the right of taxation, to take private property without the owner's consent for any but a public object. Nor can the legislature authorize counties, cities, or towns to contract for private objects debts which must be paid by taxes. It can not, therefore, authorize them to issue bonds to assist merchants or manufacturers, whether natural persons or corporations, in their private business. These limits of the legislative power are now too firmly established by judicial decisions to require extended arguments upon the subject."

After citing *Loan Association vs. Topeka* and *Parkersburg vs. Brown*, he adds:

"The decisions in the courts of the States are to the same effect" (citing a number of them), and "We have been referred to no opposing decision."

To the cases cited by Mr. Justice Gray may be added the following, some of which were cited in *Loan Association vs. Topeka*: *Opinions of the Judges*, 58 Me., 590; *Curtis vs. Whipple*, 24 Wis., 359; *People vs. Salem*, 20 Mich., 432; *Hanson vs. Vernon*, 27 Iowa, 28; *Matter of Niagara Falls and Whirlpool R. R. Co.*, 108 N. Y., 375; *Deal vs. Mississippi Co.*, 107 Mo., 464. The last case cited is directly in point here, the court holding therein that an act of the legislature authorizing the payment of bounties for the planting of trees upon private lands was an unconstitutional exercise of legislative power.

*Lowell vs. Boston* (111 Mass., 451), which was cited with express approval in both *Loan Association vs. Topeka* and *Cole vs. La Grange*, is one of the best-considered cases upon the question of the power of the legislature to impose taxes in aid of private enterprises for the promotion of the general welfare. The act under consideration was enacted by the legislature of Massachusetts after the great Boston fire of 1872, and authorized the city to issue bonds to raise money to be lent to landowners for the purpose of rebuilding in the burned district. In one sense in which this loan might be considered for the general welfare, and in the same sense in which the subsidy to sugar producers is contended to be therefore, the purposes of the loan act were for the good not only of the city of Boston, but also of the State, and, in a measure, of all New England, of which Boston is the commercial metropolis. This ground of support for the act was presented in a masterly manner on the argument by Mr. Benjamin R. Curtis, from whose brief we quote the following:

"The primary object of the statute is not to benefit and aid private persons. Its purpose and ends are strictly of a public nature—to restore and increase the taxable property and resources of the State; to prevent and guard against the great evils and losses arising from so great and general a calamity, in embarrassing business, deranging finance, and seriously lessening the wealth and prosperity of a large and most important part of the whole people, and interfering with their comfort, happiness, and progress."

To this argument Mr. Justice Wells, who delivered the opinion of the court, made the conclusive reply:

"The power to levy taxes is founded on the right, duty, and responsibility to maintain and administer all the governmental functions of the State and to provide for the general welfare. To justify any exercise of the power requires that the expenditure which it is intended to meet shall be for some public service or some object which concerns the public welfare. The promotion of the interests of individuals, either in respect of property or business, although it may result incidentally in the advancement of the public welfare, is, in its essential character, a private and not a public object. However certain and great the resulting good to the general public, it does not, by reason of its comparative importance, cease to be incidental."

"The incidental advantage to the public or to the State which results from the promotion of private interests and the prosperity of private enterprises or business does not justify their aid by the use of public money raised by taxation or for which taxation may become necessary. It is the essential character of the direct object of the expenditure which must determine its validity as justifying a tax, and not the magnitude of the interests to be affected, nor the degree to which the general advantage of the community, and thus the public welfare, may be ultimately benefited by their promotion. The principle of this distinction is fundamental. It underlies all government that is based upon reason rather than upon force."

In an analogous case Mr. Justice Brewer, speaking for the supreme court of Kansas, of which he was then a member, said:

"Public aid to private purposes can not be secured by yoking them to a public purpose. And where the public and private purposes are attempted to be aided by a single concession, the latter vitiate rather than the former uphold the grant." (*Central Branch U. P. R. Co. vs. Smith*, 23 Kans., 745, 755.)

Nor was the decision of either of those cases made to turn upon a mere question of "municipal authority," but instead upon the broad question of "legislative power." As said by Wells, justice:

"The point of difficulty is not as to the distribution of the burden by allowing it to be imposed upon a limited district within the State, but as to the right of the legislature to impose or authorize any tax for the object contemplated by this statute."

The power here involved is one of taxation. The annual bounty for sugar production has necessarily come out of the revenues raised by general taxation for the support of the Government. The gross sum required each year had to be included in the estimates for annual expenses and considered in the imposition of taxes to raise the revenue to meet them. Call the subsidy offered by the law to the producers of sugar a contract if you will; still it is necessarily one where "the right to contract must be limited by the right to tax, and if in the given case no tax can lawfully be levied to pay the debt, the contract itself is void for want of authority to make it. . . . The validity of a contract which can only be fulfilled by a resort to taxation depends on the power to levy the tax for that purpose." (*Miller, J.*, 20 Wall., 660.)

In *Field vs. Clark* (143 U. S., 655) Mr. Justice Harlan, referring to the question therein raised as to the validity of the sugar bounty provisions of the act under consideration, said:

"The question of constitutional power thus raised depends principally, if not altogether, upon the scope and effect of that clause of the Constitution giving Congress the power 'to lay and collect taxes, duties, imposts, and



excises, to pay the debts and provide for the common defense and general welfare of the United States."

To avoid any misunderstanding as to the scope of this decision, it is proper to add here that there are other delegations of power in the Constitution which expressly or impliedly permit the expenditure of the public moneys. Some of these have been mentioned by Mr. Justice Gray in his opinion in *Cole v. La Grange* (113 U. S., 1), and others might be added, as, by general consent, arising under the war power, the powers to regulate commerce, coin money, establish post-offices and post-roads, etc. No one of these is involved in this case, and with their construction we have nothing to do.

The power to give the bounty to producers of sugar must, as we have seen, be referred to, and determined by, the general grant in the first clause of section 8 of Article I. That there is no pretense of any other authority for the grant is further shown by this proposition, quoted from the brief of Mr. Brent, of counsel for appellant:

"The able men who enacted this bounty law never justified it upon the ground that a gratuity was intended to the licensees; but, realizing, with the statesmen of Europe, that the prosperity of the commonwealth would be advanced by an increased production of domestic sugar which, while giving an increased stimulus to agriculture, would, by avoiding the necessity of sending abroad a hundred millions in gold annually to pay for foreign sugar, give an increased stability to our national finances, determined, in pursuance of a national policy analogous to that adopted in Germany and France, to stimulate the production of American sugar by offering to parties special inducements to invest capital and labor in the effort to develop the domestic sugar production in furtherance of such a national policy."

The power to levy taxes is one of the greatest, and to the citizen one of the most directly important, powers that can be exercised by any government. Within certain conceded boundaries it is absolute and unlimited save by the discretion of the lawmaking power. It may be used to cripple or even destroy an industry or a business. The only refuge from its inordinate exercise in this country is by the peaceful revolution of popular elections. In our judgment, the true limitation of the power to impose taxes, conferred by the foregoing clause, is that the purpose must be public, that is to say, governmental.

"All definitions of taxation imply that it is to be imposed only for public purposes." (Cooley on Taxation, 67.)

"If there is any proposition about which there is an entire and uniform weight of judicial authority, it is that taxes are to be imposed for the use of the people of the State in the varied and manifold purposes of the Government, and not for private objects or the special benefit of individuals. Taxation originates from and is imposed by and for the State." (Allen vs. Jay, 90 Me., 128; *Hanson vs. Vernon*, 27 Iowa, 28, 47; *Matter of Washington Ave.*, 66 Pa. St., 252, 263; *Sharpless vs. Mayor*, etc., 21 Pa. St., 147.)

"Vast as is the power of the government to levy taxes upon its citizens, there are, nevertheless, limitations upon it of a very distinct and positive character which inhere in the very nature of the power itself. Some of these limitations are commonly declared in the written constitutions, but the declaration is rather from abundant caution than from any necessity, as the limitations are equally imperative whether thus declared or not." (Cooley on Taxation, 41.)

The authorities from which we have so freely quoted refer directly to the power to tax as exercised by the legislatures of the several States; but the doctrine which they establish is plainly applicable to the taxing power of Congress.

A commonly accepted doctrine with respect to the legislative powers of the States has been that they are general in their nature and to a degree absolute, except where restrained by the provisions of their own and the Federal Constitution, and the necessary implications therefrom. On the other hand, it has been uniformly held that the Government of the United States is one of "delegated, limited, and enumerated powers." (*United States vs. Harris*, 106 U. S., 690.) In that case it was said, "Therefore every valid act of Congress must find in the Constitution some warrant for its passage. This is apparent by reference to the following provisions of the Constitution" (quoting section 1, Article I, Article X, Amendments). Mr. Justice Story, in his Commentaries on the Constitution, says:

"Whenever, therefore, a question arises concerning the constitutionality of a particular power, the first question is whether the power be expressed in the Constitution. If it be, the question is decided. If it be not expressed, the next inquiry must be whether it is properly an incident to an express power and necessary to its execution. If it be, then it may be exercised by Congress. If not, Congress can not exercise it."

This distinction between the taxing powers of the General and the State governments is well described by the late Mr. Justice Miller in the following words:

"The United States being a limited form of government, one of the restrictions to which it is subject is in regard to its power to levy taxes. The States may levy them for a great many purposes for which Congress can not, because to the States belong all the powers not delegated to Congress. Hence, while the Constitution of the United States has nowhere been amended by any limitations of its taxing power, there has scarcely been a State constitutional convention in half a century that has not imposed some restrictions upon the power of the State to levy taxes." (Lectures on Constitution, page 247.)

If, then, as we have seen from the cases cited, the legislature of a State has no implied power to grant subsidies or bounties to individuals, though, in a sense, the general welfare may be promoted thereby, a fortiori the Congress of the United States has no such power.

It would be a useless consumption of time to enter upon a discussion of the interpretation of the language contained in the first clause of section 8, Article I, of the Constitution; nor is it necessary to do so. Several theories have been indulged in that regard. Mr. Madison, in No. 41 of the *Federalist*, denounces the assumption that this clause "amounts to an unlimited commission to exercise every power which may be alleged to be necessary for the common defense and general welfare," and says: "No stronger proof could be given of the distress under which these writers labor for objections than their stooping to such misconstruction." He evidently regarded it as a mere general expression and fraught with no special meaning as a substantive delegation of power. He says:

"Nothing is more natural or common than first to use a general phrase, and then to explain and qualify it by particulars; and then refers to the fact that this language is 'a copy from the Articles of Confederation.'"

It may be remarked here, too, that many of the State constitutions contain similar general declarations; notably is this the case with Massachusetts and Maine, in both of which it has been held, as we have seen, that bounties can not be given to individuals in promotion of the general welfare. Let it be conceded, however, that the words "to pay the debts and to provide for the common defense and general welfare of the United States" are to be construed, according to the opinion of Mr. Justice Story, as a qualification of the preceding tax clause and as limiting "the taxing power to objects for the common defense and general welfare" (1 Story Const., 911); still the question remains, Is the grant of a bounty to producers of sugar a constitutional exercise of the power of taxation as so understood?

We think the authorities cited above establish beyond question that the power of taxation, in all free governments like ours, is limited to public ob-

jects and purposes governmental in their nature. No amount of incidental public good or benefit will render valid taxation, or the appropriation of revenues to be derived therefrom, for a private purpose.

Although we have quoted liberally from authorities cited in support of these propositions, the importance of the question is such that we can not refrain from quoting from the opinions of the judges of the supreme court of Maine, in response to the inquiry of the legislature of that State, language which expresses our views perfectly:

"Taxation, by the very meaning of the words, is for public purposes, and for those the right of the Government is unlimited. . . . The general benefit of the community resulting from any description of well-directed labor is of the same character, whatever may be the branch of industry upon which it is expended. All useful laborers, no matter what the field of labor, serve the State by increasing the aggregate of its products—its wealth. There is nothing of a public nature any more entitling the manufacturer to public gifts than the sailor, the mechanic, the lumberman, or the farmer."

"Our Government is based upon equality of rights. All honest employments are honorable. The State can not rightfully discriminate among occupations, for a discrimination in favor of one branch of industry is a discrimination adverse to all other branches. The State is equally bound to protect all, giving no undue advantages or special and exclusive preferences to any." (59 Me., 590.) Again it was said: "But the subtle and sophistical argument of those who are seeking their own private advantage by the use of the public purse is that the successful establishment of a manufacturing business, though the profits of it inure to private individuals, is indirectly a benefit to the community. But this is not an answer; it is simply a pretext for an invasion of the fundamental principle above stated." (Id., 600.)

If it may be for "the general welfare of the United States" to encourage the production of sugar by the grant of a bounty, it is hard to conceive why the producers of corn, wheat, cotton, wool, coal, iron, silver ore, etc., might not be paid a bounty also.

If Congress be conceded the power to grant subsidies from the public revenues to all objects it may deem to be for the general welfare, then it follows that this discretion, like all admitted powers of taxation, is absolute. Such a doctrine would destroy the idea that this is a Government of "delegated, limited, and enumerated powers," render superfluous all the special delegations of power contained in the Constitution, and open the way for a flood of socialistic legislation, the specious plea for all of which has ever been "the general welfare." It is a doctrine that we can not subscribe to.

Still less are we able to subscribe to a doctrine that legislation may be enacted by Congress "in pursuance of a national policy analogous to that adopted by Germany and France," or any other government on the face of the earth. There is no inherent sovereignty in the General or in the State governments. The people are sovereign. Certain powers of sovereignty they have delegated with a free hand; others have been reserved. Legislation by the Assembly of France, the Reichstag of Imperial Germany, or the Parliament of Great Britain, where power is unlimited, furnishes no proper precedent for legislation in this country.

Our Revolution began in a protest against the arbitrary power of legislation, especially with respect to taxation. The successful result of that revolution gave us our written constitutions, State and Federal, wherein the people, to guard against dangers to life, liberty, and property, reserved to themselves powers that formerly had been exercised by government.

"A written constitution is in every instance a limitation upon the powers of government in the hands of agents; for there never was written a republican constitution which delegated to functionaries all the latent powers which lie dormant in every nation, are boundless in extent, and incapable of definition."

Instead of furnishing analogies by which our national policy ought to be guided, and the powers of our legislative bodies interpreted, the legislation of even the freest nations in the Old World serves better to illustrate the wisdom of our written constitutions and to warn against their violation either in letter or in spirit.

We have been referred to certain acts of Congress in the past as affording a practical construction of the Constitution in this regard and furnishing a rule for our guidance. The rule is well established that, in case of doubt, the court will never declare a law unconstitutional. It is also well settled that long and frequent exercise of a power by Congress is entitled to the most respectful consideration and is not to be disregarded except for cogent and most persuasive reasons. But at the same time, to have this great weight, the practical construction must have been long continued, repeated, and generally unquestioned, and it can not then be followed against "a conviction that such legislation is clearly incompatible with the supreme law of the land." (Field vs. Clark, 143 U. S., 649, 691; *Merritt vs. Cameron*, 137 U. S., 542, 552.)

It would extend this already too long opinion to a most unreasonable length to review the various acts and appropriations of Congress which are claimed to be in exercise of the same power invoked to support the sugar-bounty act.

In his Commentaries on the Constitution (section 991) Mr. Justice Story refers to acts of which the most important and the nearest in approach to this act are the several acts relating to drawbacks and bounties to persons engaged in the cod fisheries, beginning in 1790. He refers to the debates published by Elliot, and declares this a recognition of the power of Congress to give bounties. The history of these acts shows that the first was expressly enacted as a "drawback" of the duty upon the salt used in curing the fish. The full debates are reported in the Annals of the Second Congress (pages 362, 401), and show that the second bill could hardly have been passed except upon the view, strenuously contended for, that the money appropriated was the equivalent of a drawback of the salt duty, as before, and acted substantially in that way. Upon this view Mr. Madison finally gave the bill his support.

All such acts, however, however worded or devised, have met with determined opposition and denial of power at all times; and it can not be said that they have ever received general consent or acquiescence. The fact that moneys have often been paid out under acts of doubtful or questionable validity can have no great weight under a system where the question, by reason of difficulties before alluded to, is so hard to be raised in an effective manner.

But if there had been a practice by Congress uniform and generally acquiesced in, our opinion is so clearly against the validity of this act that we could not be controlled by it in the performance of our duty. No time, no acquiescence, no estoppel runs against the people under the protection of our written Constitution.

From what has been said it follows that the judgment below must be in all things affirmed; and it is so ordered, with costs to the appellees.

Judgment affirmed.

Morris, J., concurs.

Alvey, C. J.: I fully concur with my brothers in the affirmation of the judgment appealed from in this case. But I do so upon the distinct grounds that the statute authorizing the payment of the sugar bounty has been expressly repealed by the recent tariff act of 1894, and thereby all right to bounty has been canceled; and even if that were not so, the case as here presented shows no sufficient foundation for the issuing of a mandamus against the Secretary of the Treasury and the Commissioner of Internal Revenue. I do not.

however, deem it necessary for any purpose of this case to discuss and decide the constitutional question of the power of Congress to provide for the payment of bounties in such case as that provided for by the late tariff act of 1890. I prefer to express no opinion upon that subject.

## II.

## OPINION OF THE COMPTROLLER OF THE TREASURY.

TREASURY DEPARTMENT,  
OFFICE OF COMPTROLLER OF THE TREASURY,  
September 4, 1895.

The Auditor for the Treasury Department, having before him the claim of the Oxnard Beet Sugar Company, of Grand Island, Nebr., for \$11,782.50, being the first claim allowed by the Commissioner of Internal Revenue under the appropriation in the sugar civil appropriation act of March 2, 1895, for the payment of bounty on sugar, decided that said claim was one of the character provided for by the appropriation of \$238,280.08 contained in said act, and proposed to allow the same and certify the amount thereof for payment from said appropriation. In accordance with the provisions of section 8 of the act of July 31, 1894 (28 Stat., 206), he certified his decision to the Comptroller as an original construction of the statute making that appropriation. The appropriation above referred to reads as follows:

[Here follows copy.]

The Comptroller, on account of the decision of the court of appeals of the District of Columbia in the case of The United States ex rel The Miles Plant and Manufacturing Company vs. John G. Carlisle and Joseph S. Miller (23 Wash. Law. Rep., 30), holding the sugar-bounty provisions of the tariff act of 1890, generally known as the McKinley Act, unconstitutional, called upon the Oxnard Beet Sugar Company and other claimants for the bounty provided in the act of March 2, 1895, for arguments to show why it was not the duty of the Comptroller to follow that decision and refuse payment of these bounties on the ground of the unconstitutionality of said appropriation.

At the hearing the jurisdiction of the Comptroller in the premises was seriously attacked, and it therefore becomes necessary to dispose of the jurisdictional question before considering the main issue.

This brings up, therefore, for consideration the question whether the Comptroller has any power or authority under any circumstances whatever to question the constitutionality of a statute passed by Congress with all the legal formalities. It was most vigorously contended that he had not, and that any attempt upon his part to do so would constitute a dangerous usurpation of power; that the question of the constitutionality of an act of Congress could only be decided by the courts, and that until so decided by the Supreme Court it was the duty of every executive officer to obey the act, although himself convinced of its unconstitutionality.

By Article VI of the Constitution, the "Constitution, and the laws of the United States which shall be made in pursuance thereof," shall be the supreme law of the land. Laws not made in pursuance of the Constitution are not, therefore, the law of the land. The Constitution is supreme. Laws made in pursuance thereof are as binding as is the Constitution itself, but when a law transcends the Constitution it is not binding, because in conflict therewith, and the Constitution and not the act must prevail and be followed by executive officers as well as by the courts, and in fact by all individuals. This is well brought out by Mr. Justice Field in *Huntington vs. Worthen* (130 U. S., 101), wherein, after showing the unconstitutionality of the act then under consideration by the court, he said:

"When, therefore, under the advice of the Attorney-General, the board of railroad commissioners treated as invalid the direction of the statute, that the value of embankments, tunnels, cuts, ties, trestles, and bridges should not be included in the estimate of the railroad track, it obeyed the Constitution, rather than the legislature. It may not be a wise thing, as a rule, for subordinate executive or ministerial officers to undertake to pass upon the constitutionality of legislation prescribing their duties, and to disregard it if in their judgment it is invalid. This may be a hazardous proceeding to themselves, and productive of great inconvenience to the public; but still the determination of the judicial tribunals can alone settle the legality of their action. An unconstitutional act is not a law; it binds no one, and protects no one."

To which may be added the following brief quotation from the opinion of that same able judge in *Norton vs. Shelby County* (118 U. S., 429):

"An unconstitutional act is not a law; it confers no rights; it imposes no duties; it affords no protection; it creates no office; it is, in legal contemplation, as inoperative as though it had never been passed."

And this from the opinion of Attorney-General Speed (11 Opin. A. G., 214), where, referring to the case of *Marbury vs. Madison* (1 Cranch, 130), wherein Chief Justice Marshall had said, "A law repugnant to the Constitution is void, and courts, as well as other departments, are bound by that instrument." He said:

"The Constitution is the supreme law—a law superior and paramount to every other. If any law be repugnant to the Constitution, it is void; in other words, it is no law. It is the peculiar province and duty of the judicial department to say what the law is in particular cases. But before such cases arise, and in the absence of authoritative exposition of the law by that department, it is equally the duty of the officer holding the executive power of the Government to determine, for the purposes of his own conduct and action, as well the operation of conflicting laws as the constitutionality of any one." (See also opinion of Attorney-General Bates, 10 Opin. A. G., 56-61, and *State vs. Buchanan*, 24 W. Va., 382.)

To the same effect are necessarily the decisions in all that well-established line of cases, holding that an executive officer can not justify himself for the doing of a wrongful act by relying upon the power conferred upon him under an unconstitutional statute. (Pointexter vs. Greenhow, 114 U. S., 270; *Sumner vs. Beiler*, 50 Ind., 341; *Fisher vs. McGirr et al.*, 1 Gray, 1-46; *Woolsey vs. Dodge*, 6 McLean, 142-148; *Lynn vs. Polk*, 8 Lea (Tenn.), 131; see also *Board of Liquidation vs. McComb*, 12 U. S., 531-541.)

Much reliance was placed upon the following cases: *People vs. Salomon*, 54 Ill., 40; *Smythe vs. Titcomb*, 51 Me., 272; *Sessums vs. Botts*, 34 Tex., 335; *State vs. Carroll*, 38 Conn., 449, and *State vs. Moore*, 40 Nebr., 334, particular reliance being placed upon the case of *People vs. Salomon*. Of that case nothing more need be said than is contained in the following note by Judge Cooley in his work on Constitutional Limitations, page 188:

"In *People vs. Salomon* (54 Ill., 40), a ministerial officer was severely censured for presuming to disregard a law as unconstitutional. The court found it to be valid, but if they had held the contrary, the officer certainly would not have been punished for anticipating their decision in his own action."

The case of *State vs. Carroll* was vigorously pressed upon the Supreme Court in *Norton vs. Shelby County* (118 U. S., 445), where that case is fully explained in the opinion of the court. The case of *State vs. Moore*, so far from being an authority in favor of the contention that an executive officer must obey an unconstitutional statute, is rather one to the contrary, for while the act then under consideration was held by the court to be constitutional, the auditor was commended for seeking the determination of the

court upon that question in a case in which he was justified in having serious doubts. The court said:

"The Auditor is an able and conscientious officer and deserving of the highest commendation for the jealous care with which he guards the public Treasury, and he acts wisely in shielding himself from liability by the decisions of the courts in cases where he is in doubt; but in the case at bar he may not only legally draw the warrant demanded by the relator, but it is his duty to do so."

And therefore a mandamus was issued to compel him to act. The other two cases relied on, viz, *Smythe vs. Titcomb* and *Sessums vs. Botts*, are contrary to the doctrine established by the Supreme Court of the United States in the cases above cited and to the weight of State authority.

From all these cases the conclusion is irresistible that it is the duty of the executive officer to obey the law; that the Constitution is the supreme law, and so are statutes passed in pursuance thereof; that statutes which do not conform to the Constitution are not law, and therefore when a statute is in apparent conflict with the Constitution it becomes the duty of the executive officer to determine for himself as between the statute and the Constitution whether the statute is the law. It is true that the statute is to be considered *prima facie* constitutional and should be followed unless it is clearly unconstitutional. It is also true that the officer acts at his peril if he does not execute a constitutional statute, but it is none the less true that he acts at his peril if he executes an unconstitutional statute.

The fact that in the one case the consequences of a mistaken judgment may be greater than in the other does not affect the question, for the penalties which may attach to the failure to execute what is finally determined to be a constitutional statute can not change the officer's duty, although they may greatly increase his responsibilities. While in theory every executive officer, however subordinate, is obliged to obey the law, whether the Constitution or the statute, yet practically a mere subordinate officer who acts under the orders of a superior who is bound to determine what the law is, may be justified in following the directions of his superior. In deciding questions upon the settlement of public accounts, the Comptroller is not subject to the direction of any superior upon whom he can throw the responsibility of determining what the law is. That question was finally settled by the act of March 30, 1888 (15 Stat., 54), incorporated in section 191 of the Revised Statutes, which, modified to meet the changes in the accounting system made in the Dockery Act, still remains the law.

As the Comptroller does not act under the directions of the Secretary of the Treasury or the President, his decisions within the sphere of his jurisdiction being final and conclusive upon the executive branch of the Government, it followed that the power to resist the execution of an unconstitutional statute was denied to any executive officer whatever. Some of the counsel at the hearing went to the extreme limit that under no circumstances whatever could even the President refuse to obey an act of Congress until the same had been declared unconstitutional by the Supreme Court of the United States; that the decision of no inferior tribunal would justify him in refusing obedience to the statute. If the Comptroller was compelled to obey an unconstitutional act, the logic of this position was irresistible. The conclusion, therefore, if that contention be right, necessarily is that the legislative department of the Government is supreme, as the executive can not resist the statute.

It was furthermore claimed that no executive officer had the right to raise the point of the unconstitutionality of a statute, even in a case in court, in order to finally determine its validity by the only branch of the Government conceded to have the power to settle such question. This contention can not be sound, as shown by the quotations from the decisions of the Supreme Court of the United States and those of the State courts above cited. Applied to the question of the payment of money from the Treasury of the United States by an officer sworn to support the Constitution, the argument amounts to this, that while any individual whose rights are invaded even in the slightest degree by an unconstitutional act of Congress may seek his remedy in the courts, and if a trustee would be required to do so in order to protect his trust, as did the trust companies in the recent income-tax cases, the officer of the executive department of the Government, bound to protect the Treasury of the United States against the payment of unlawful claims, and to that extent being in the position of a trustee for the people, would be without power to protect the Treasury against such unlawful claims for the largest possible amount. That position can not possibly be tenable.

The Comptroller, when acting within his jurisdiction, must determine whether claims made against the United States are proper charges against the Treasury. A claim founded upon a statute passed under an erroneous construction of the Constitution, although having apparently greater sanction, has no more real validity than a claim founded upon an erroneous construction of a concededly constitutional act. The one should not be paid any more than the other, and it is clearly the duty of the Comptroller when called upon to pass judgment on such claims to prevent the payment of both.

The Comptroller has never claimed to be invested with any judicial power by virtue of which he is authorized to hold and treat an act as unconstitutional otherwise than in any superior executive officer charged with the responsibility of ascertaining what the law is in order to guide his actions. The Comptroller is an executive officer whose duties require the exercise of judicial functions in the highest degree. This, however, does not in any way change his character from an executive to a judicial officer. The exercise of the power by the Comptroller to treat an act as unconstitutional is no new thing. It has been acted on upon at least two different occasions—first, when the income tax levied upon the salaries of the Federal judges was returned, under the opinion of Attorney-General Hoar that such taxes could not be constitutionally collected (13 Opin. A. G., 161); second, when payments were made to persons who had promoted, encouraged, or sustained the rebellion, on claims which occurred prior to the 13th day of April, 1861, in violation of the provisions of the joint resolution of March 2, 1867 (section 3490, Rev. Stat.), under the opinion of Secretary Delano that the provisions of that joint resolution were unconstitutional. (Copp's Public Land Laws, 1882, volume 2, page 1490.)

As neither the opinion of Attorney-General Hoar nor that of Secretary Delano was binding upon the Comptroller, his action in allowing the payments, notwithstanding the statutes, was taken upon his own responsibility that these opinions were correct expressions of the law. The Comptroller would certainly be as much justified in following the opinion of the court of appeals of the District of Columbia, if that opinion convinced his mind, as he was in following the opinion of an Attorney-General or that of a Secretary of the Interior. It is interesting to note that in the first case the opinion of the Attorney-General was approved by the Court of Claims in the case of *Wayne vs. United States* (25 C. Cl. R., 274), while the opinion of Secretary Delano, although not directly drawn in question, was in fact disapproved by the determination of the Supreme Court in *Hart vs. United States* (118 U. S., 62). Therefore in the one case the Comptroller was right, while in the other he was wrong.

It is true that the present Comptroller did pass without question claims for large amounts under the bounty provisions of the McKinley Act. Although having strong personal views upon the constitutionality of that bounty appropriation, he felt bound to obey the statute on the ground of its *prima facie* validity. Since the appropriation in the McKinley Act was



repealed, the court of appeals of the District of Columbia, in the case above referred to, has held the bounty provision of the McKinley Act unconstitutional. This decision of the court seemed to require a full examination of the question; hence the present inquiry.

2. That decision (*United States ex rel. The Miles, etc., Company vs. Carlisle and Miller*, 23 Wash. Law Rep., 33) was upon a petition for a writ of mandamus to compel the Secretary of the Treasury and the Commissioner of Internal Revenue to carry out the rules and regulations made for the execution of the sugar-bounty provisions of the McKinley Act.

It was held, first, that the bounty clause of the McKinley Act had been repealed by the act of August 28, 1894, known as the Wilson Act, and, second, that the sugar-bounty clause was unconstitutional. This latter point was principally founded upon the decisions of the Supreme Court of the United States in *Loan Association vs. Topeka* (20 Wall., 655), *Parkersburg vs. Brown* (106 U. S., 487), *Cole vs. La Grange* (113 U. S., 1), and numerous opinions of various State courts upon questions analogous to those decided in the three cases above cited, many of which had been approved by the Supreme Court of the United States in the opinions rendered in those cases.

The principle decided in all these cases is, succinctly stated, that taxation must be for a public purpose; that an attempt to take money from the people by the forms of taxation for a purpose other than a public one is not an exercise of legislative power, and therefore that an attempt to do so is a mere nullity, as an effort by the legislature to exercise power not granted by the Constitution.

While this principle was not controverted by the counsel of the sugar claimants, it was contended that this bounty could be sustained under paragraph 1, section 8, Article I, of the Constitution, which is as follows:

"The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States."

The extent of this clause was the subject of considerable discussion for the first few decades under the Constitution, and its scope does not ever seem to have been determined by the Supreme Court, for no case has been found upon which an act has been sustained exclusively under that clause.

While it is generally conceded that the words "to pay the debts and provide for the common defense and general welfare of the United States" do not constitute an independent, substantive grant of power, but are simply qualifications upon the previous grant "to lay and collect taxes, duties, imposts, and excises," yet it has been claimed, on the one hand, that the power to tax for the purposes thus specified is limited to raising the means to carry out the other powers subsequently enumerated, and does not authorize the levying of taxes for any other purposes; on the other hand, it is claimed that the power to tax is not so limited, but extends to any purposes which are for the general welfare.

The words "common defense" and "general welfare" are not found in any other clause of the Constitution, but are contained in the preamble as some of the objects to accomplish which the Constitution was established. As the objects to be accomplished by the Constitution can only be carried out by the exercise of the powers therein granted, a like construction would require these words, as used in the clause "to lay and collect taxes," to be considered as referring to the powers subsequently enumerated and to be limited to the carrying out of those powers by means of taxation. Such undoubtedly was the view once generally held. It is claimed, however, that it became subsequently modified, reliance being placed upon certain acts of Congress and the opinion of Mr. Justice Story (Const., section 911), President Jackson's veto of the Maysville road bill (4 Elliott's Debates, 2d ed., Wash., 1854, pages 525, 526), where he reviews this question quite fully, and other public documents.

But whatever may be the correct view of this clause, it can not confer a broader power upon Congress than a similar clause would confer upon a State legislature, nor greater power than that which a State legislature would have under a constitution containing no prohibition upon the legislative power. The constitutions of Maine and Massachusetts both contain clauses similar to this clause of the Federal Constitution, and in cases decided by the courts of those States, as well as States having general legislative power, it has been held, as will be shown hereafter, that bounties similar to the sugar bounties can not be sustained as a proper exercise of the taxing power for a public purpose. To show that taxation must be exclusively for public purposes, a few quotations from decided cases may not be inappropriate.

Mr. Justice Miller, in *Loan Association vs. Topeka* (20 Wall., 655), said (on pages 664, 665):

"To lay with one hand the power of government on the property of the citizen and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation; it is a decree under legislative forms. Nor is it taxation. . . . We have established, we think, beyond cavil that there can be no lawful tax which is not laid for a public purpose. It may not be easy to draw the line in all cases so as to decide what is a public purpose in this sense and what is not. . . . But in the case before us, in which the towns are authorized to contribute aid by way of taxation to any class of manufacturers, there is no difficulty in holding that this is not such a public purpose as we have been considering."

"If it is said that a benefit results to the local public of a town by establishing manufactures, the same may be said of any other business or pursuit which employs capital or labor. The merchant, the mechanic, the innkeeper, the banker, the builder, the steamboat owner are equally promoters of the public good and equally deserving the aid of citizens by forced contributions. No line can be drawn in favor of the manufacturer which would not open the coffers of the public Treasury to the importunities of two-thirds of the business men of the city or town."

In *Cole vs. La Grange* (113 U. S., 1) Mr. Justice Gray said (on page 6): "The general grant of legislative power in the constitution of a State does not enable the legislature, in the exercise either of the right of eminent domain or of the right of taxation, to take private property, without the owner's consent, for any but a public object. Nor can the legislature authorize counties, cities, or towns to contract, for private objects, debts which must be paid by taxes. It can not, therefore, authorize them to issue bonds to assist merchants or manufacturers, whether natural persons or corporations, in their private businesses. These limits of the legislative power are now too firmly established by judicial decisions to require extended argument upon the subject."

Numerous other quotations might be made, but they are unnecessary, for, as stated by Mr. Justice Gray in *Cole vs. La Grange* (supra), "We have been referred to no opposing decision," and it is believed that no such decision can be furnished.

From these cases, and others referred to by Judge Shepard in the opinion in the Miles case, the court reached the following conclusion:

"We think the authorities cited above establish beyond question that the power of taxation, in all free governments like ours, is limited to public objects and purposes governmental in their nature. No amount of incidental public good or benefit will render valid taxation, or the appropriation of revenues to be derived therefrom, for a private purpose."

The last sentence of this quotation was severely criticised by the counsel of

the sugar-bounty claimants, and was put in contrast with the language of Judge Black in *Sharpless vs. Mayor, etc.* (21 Pa. St., 147), that

"The tax laid must be held valid unless it be for a purpose in which the people taxed have palpably no interest; where it is clearly apparent that the burden imposed is for the benefit of others, and where it would be so pronounced at first blush."

And the language of Judge Dixon in the case of *Brodhead vs. Milwaukee* (10 Wis., 624-652), that—

"The object for which money is raised by taxation must be public and such as subserves the common interest and well-being of the community required to contribute. To justify the court in arresting the proceedings and declaring the tax void the absence of all possible public interest in the purposes for which the funds are raised must be clear and palpable—so clear and palpable as to be perceptible to every mind at the first blush."

Rightly understood, Judge Shepard's language does not conflict with that above quoted from the opinions of Judge Black and Judge Dixon.

The distinction between a public interest or benefit and a public purpose, and between a private interest or benefit and a private purpose, must be kept in mind. No degree of public interest or benefit, no matter how large, will justify a tax for a private purpose, while the highest degree of private interest or benefit will not defeat a tax for a public purpose. This distinction is clearly drawn out in numerous cases.

In *Lowell vs. City of Boston* (111 Mass., 454) it is said (on page 461):

"The promotion of the interests of individuals, either in respect of property or business, although it may result incidentally in the advancement of the public welfare, is, in its essential character, a private and not a public object. However certain and great the resulting good to the general public, it does not, by reason of its comparative importance, cease to be incidental. The incidental advantage to the public or to the State which results from the promotion of private interests, and the prosperity of private enterprises or business, does not justify their aid by the use of public money raised by taxation, or for which taxes may become necessary. It is the essential character of the direct object of the expenditure which must determine its validity, as justifying a tax, and not the magnitude of the interest to be effected, nor the degree to which the general advantage of the community, and thus the public welfare, may be ultimately benefited by their promotion. The principle of this distinction is fundamental. It underlies all government that is based upon reason rather than upon force."

In *Curtis's Administrators vs. Whipple* (24 Wis., 350) it was said by Judge Dixon, the same judge who delivered the opinion in *Brodhead vs. Milwaukee* (supra, page 355):

"Any direct public benefit or interest of this nature, no matter how slight, as distinguished from those public benefits or interests incidentally arising from the employment or business of private individuals or corporations, will undoubtedly sustain a tax."

In *Niagara Falls and Whirlpool Railroad Company* (103 N. Y., 375) it was said (on page 385):

"What is a public use is incapable of exact definition. The expressions 'public interest' and 'public use' are not synonymous. The establishment of furnaces, mills, and manufactures, the building of churches and hotels, and other similar enterprises, are more or less matters of public concern, and promote, in a general sense, the public welfare. But they lie without the domain of public uses for which private ownership may be displaced by compulsory proceedings."

The case was one where the exercise of the right of eminent domain was sought to be enforced.

The whole matter is admirably summed up by Judge Cooley in the *The People vs. Salem* (20 Mich., 452, on page 485):

"We perceive, therefore, that the term 'public purpose,' as employed to denote the objects for which taxes may be levied, has no relation to the urgency of the public need or to the extent of the public benefit which is to follow. It is, on the other hand, merely a term of classification, to distinguish the objects for which, according to settled usage, the Government is to provide, from those which, by the like usage, are left to private incitation, interest, or liberty."

What is a public purpose is not always easy of ascertainment, the line between a public and a private purpose not always being clear. Attempts to aid, by gifts of the public funds, enterprises of various kinds have been defeated by the courts in cases holding such gifts not to be for a public but for a private purpose. Manufacturing establishments have been uniformly treated as private rather than public enterprises. Manufactories generally were so treated in opinions of the Judges (38 Maine, 500); a sawmill and box factory in *Allen vs. Inhabitants of Jay* (60 Maine, 121).

In *Loan Association vs. Topeka* (20 Wall., 655) aid was attempted to be given by the city of Topeka to an iron bridge and iron works company; a foundry and machine works and marine railway was attempted to be aided by the city of Parkersburg in *Parkersburg vs. Brown* (106 U. S., 487); a rolling mill in *Cole vs. La Grange* (113 U. S., 1), and establishments of a similar nature in various State cases. The creation of a fund to loan to those whose buildings had been burned by a disastrous fire, destroying a large portion of a city, was held not to be a public purpose in *Lowell vs. Boston* (111 Mass., 454) and *Friedman & Co. vs. The City Council of Charleston* (23 S. C., 57).

Directly aiding agriculture by the issuing of township bonds for the relief of farmers within the township who had lost by failure of the crops the seed necessary to be planted for the next season was held to be a private and not a public purpose of the township in *State vs. Osawkee Township* (14 Kans., 418). An act authorizing a bounty for planting, protecting, and cultivating forest trees on prairie lands was held not to be for a public purpose in *Deit vs. Mississippi County* (107 Mo., 464). In *Central Branch vs. Smith* (23 Kans., 745) erecting and maintaining a dam and mills in a township was held to be a private and not a public purpose.

In *Burlington vs. Beasley* (91 U. S., 310) and *Blair vs. Cumming County* (111 U. S., 333) gristmills were held to be works of internal improvement, to aid in constructing which a town might issue bonds, only because the mills were declared by the statute to be public mills which were obliged to grind for toll for all customers upon regulations prescribed by governmental authority, as explained by Mr. Justice Gray in *Cole vs. La Grange* (supra). It can not be claimed that any such authority has been exerted over the sugar plants to which the bounty has been given by Congress. The rules and regulations which the Commissioner of Internal Revenue and the Secretary of the Treasury were authorized to make are simply rules for the protection of the Treasury in order that it may be ascertained that the bounty has been in fact earned.

A fair test of the question of public purpose might be the power to exercise the right of eminent domain. If a law had been passed conferring the right upon the Oxnard Beet Sugar Company to condemn lands for the erection of its factory, could such an act have been sustained by the courts as a proper exercise of the right of eminent domain for a public purpose? In *Eureka Basin and Warehouse Manufacturing Company* (96 N. Y., 42) such a right was denied in a case where a corporation was authorized to condemn property for the purpose of constructing and maintaining docks, basins, piers, wharves, and warehouses, on the ground that such an enterprise was a private one, and the pretense that it was for a public purpose was merely colorable and illusory so long as the property and other structures were to remain under private ownership and control with no right to their use or

to direct their management conferred upon the public. And even the right to condemn property for a railroad has been denied when the sole purpose to which the railroad could be put was to transport pleasure seekers to obtain a view of Niagara Falls and River, the situation of the railroad being such that it could not be used by the general public as a means of transportation. (*Niagara Falls and Whirlpool Company*, 108 N. Y., 375.)

The only cases cited as apparently justifying bounties of a character similar to the sugar bounties were the Michigan salt cases—*People ex rel. Salt Company vs. State Auditors* (9 Mich., 327); *Salt Company vs. East Saginaw* (19 Mich., 230, s. c., 13 Wall., 373). In none of these cases was the constitutionality of the Michigan statutes drawn in question, and therefore no decision was rendered by the supreme court of Michigan or the Supreme Court of the United States upon that question. The decisions in 19 Mich. and 13 Wall. were not upon the bounty provision of the Michigan act, but upon that part of it creating an exemption from taxation. The decisions amount simply to this, that, conceding the constitutionality of the act providing for the salt bounty, the amounts earned thereunder before its repeal or modification were valid claims, which should be paid.

The case of *Calder vs. Henderson* (54 Fed. Rep., 802) was also relied upon as holding the sugar bounties of the McKinley Act constitutional. The constitutional question, however, was not involved in that case, but simply whether the amount to be collected from the Government under the sugar-bounty provisions of the McKinley Act passed to an assignee in insolvency under the laws of Louisiana. It was held that the interest did so pass, and the statements made by the judges who delivered that opinion were to the same effect as the salt-bounty decision in 9 Mich., that the bounty act created a contract to the extent of the interest actually vested thereunder, provided the bounty act was constitutional, a question not discussed nor decided.

This review of these cases seems clearly to sustain the conclusion reached in the Miles case, that the payment of these sugar bounties is not one for a public purpose of the Federal Government. For, as shown by Judge Shepard, the principle of these cases is as applicable to the State and Federal governments as it is to the towns, cities, townships, and other subordinate political divisions of the State. He said:

"Nor was the decision of either of those cases made to turn upon a mere question of 'municipal authority,' but instead upon the broad question of 'legislative power.' As said by Wells, Justice: 'The point of difficulty is not as to the distribution of the burden by allowing it to be imposed upon a limited district within the State, but as to the right of the legislature to impose or authorize any tax for the object contemplated by this statute.'"

If establishing manufacturing enterprises in a town or city or aiding the reerection of private business buildings destroyed by a disastrous conflagration devastating a city are not public purposes of such town or city, or aiding a large class of farmers of a township who have lost their seed by failure of crops to obtain a sufficient amount for the next season's planting is not a public purpose of the township, or giving a bounty to those in a prairie county who would plant trees on their own lands is not a public purpose of such county, how can the giving of a bounty for the production of sugar from cane, beets, or sorghum grown in the United States be a public purpose of the Federal Government? The difference seems to be one of degree and not one of kind. As was said in the opinion in the Miles case:

"If it may be for 'the general welfare of the United States' to encourage the production of sugar by the grant of a bounty, it is hard to conceive why the producers of corn, wheat, cotton, wool, coal, iron, silver ore, etc., might not be paid a bounty also.

"If Congress be conceded the power to grant subsidies from the public revenues to all objects it may deem to be for the general welfare, then it follows that this discretion, like all admitted powers of taxation, is absolute. Such a doctrine would destroy the idea that this is a government of 'delegated, limited, and enumerated powers,' render superfluous all the special delegations of power contained in the Constitution, and open the way for a flood of socialistic legislation, the specious plea for all of which has ever been 'the general welfare.' It is a doctrine that we can not subscribe to."

In other words, a complete change from the self-dependence and local self-government in which it has been conceded lies the strength of our institutions to a system of socialistic paternalism by the Federal Government might be brought about, and we might soon reach a point where, instead of the people supporting the Government, the Government would support the people, as suggested in President Cleveland's veto of the Texas seed bill (*State Papers of Grover Cleveland*, Government Printing Office, 1899, page 238), wherein he disapproved of that bill upon the ground of its doubtful constitutionality.

It is claimed, however, that a century's construction of the Constitution by Congress in practical legislation has sanctioned both direct and indirect bounties, and that such a practical construction is binding upon the courts as determining that industrial bounties are for a public purpose. To sustain that proposition, in addition to certain acts of Congress, statements made in early tariff debates that bounties might be given in lieu of certain taxes as a means of aiding industries, and similar statements made in the reports of high executive officers, were cited, reliance being especially placed upon tariff acts as passed not only for the raising of revenue, but for the protection of industries, the claim being made that a direct bounty by way of subsidy from the Treasury is not different from an indirect benefit derived from a high customs duty. Particular reliance was also placed upon the acts providing for what are generally known as the cod-fishery bounties.

Expressions of the kind stated were undoubtedly made by prominent statesmen in the debate on the first tariff act, and by prominent executive officers in official reports. These expressions related rather to the question of policy than to the question of constitutionality, which does not seem to have been directly considered. It is a strange fact, however, that unless the so-called cod-fishery bounties can be considered as bounties in fact, which is seriously doubted, no direct money-bounty act has ever been passed by Congress until the sugar bounties of the McKinley Act. While economically the effect on industries may be the same, whether a high protective duty is laid or a direct bounty given, it is not necessarily true that both methods may be legally sustainable.

Levying a tax is the exercise of legislative power whatever may be the motive which actuates its levy. The motive can not be inquired into by the courts. (*Veazie Bank vs. Fanno*, 8 Wall., 533.) Even if no revenue should be derived from the tax, the possibility that such revenue might be obtained is sufficient to sustain the legality of the statute. That a direct bounty may not be sustained as constitutional although a tariff tax is valid seems to result from the decision in *Field vs. Clark* (143 U. S., 849).

In regard to the so-called cod-fishery bounty, an examination of the debates indicates clearly that it was originally passed as granting a drawback upon the duty on the salt used in curing the fish and not as a bounty to the fisheries. It was furthermore justified as an aid to the "fishing trade as being a nursery for seamen and serving as a kind of naval militia for the United States," this latter being undoubtedly a governmental purpose. The whole question seems to have been tersely summed up by Senator Chandler, of Michigan, in the debate on the act of July 28, 1864, when he said:

"The Committee on Finance propose to give cod fishermen all they want—a remittal of the duty on foreign salt. All that they pretended they ever asked was a remittal of that duty." (*Congressional Globe*, page 4070.)

But if the same was considered by some as a bounty, it "was strenuously resisted on constitutional grounds," as stated by Story. (*Constitution*, section 91.) In 1838 there was passed "An act to encourage the production and promote the cultivation of tropical plants in the United States" (5 Stat., 302), which granted a township of land in southern Florida to Dr. Henry Perrine and his associates for the purpose stated in the caption of the act. This act, when before the House of Representatives, was also vigorously attacked on constitutional grounds as a mere bounty not within the power of Congress to confer. In answering this objection it was pointed out that the Constitution provided:

"Congress shall have power to dispose of . . . the territory and other property of the United States." (Paragraph 2, section 3, Article IV.)

And therefore that they had by express grant absolute power over the public lands. This view seems to be confirmed by Story (section 1327):

"The constitutional objection to the appropriation of the other revenues of the Government to such objects (internal improvements, education, etc.) has not been supposed to apply to an appropriation of the proceeds of the public lands. The cessions of that territory were expressly made for the common benefit of the United States, and therefore constitute a fund which may be expressly devoted to any objects which are for the common benefit of the Union."

The bounty provision of the McKinley Act was also vigorously fought in Congress as unconstitutional and as an entirely new departure in Federal legislation. When it became a law, the whole act was attacked in the courts on the ground that the unconstitutionality of the bounty provision vitiated the entire act (*Field vs. Clark*, 143 U. S., 849), where, however, it was held that the bounty provision was separable from the tariff portion of the act, and the constitutionality of the bounty provision was not decided. When the first case directly based upon the bounty clause reached the courts, it was held to be unconstitutional.

When it is seen that no act granting a bounty in aid of industries has ever been passed without being severely criticised by members of the legislative body as unconstitutional, and when the only act passed in early days which can by any possibility be claimed to be a money-bounty act was only justified by those who were then members of Congress as a drawback and an encouragement to the formation of a naval militia, it can not be said that such a practical legislative construction of the Constitution has been made as will require or justify the courts in holding bounties constitutional. On the contrary, the absence of all such legislation is, under the circumstances, rather a practical construction that bounties are unconstitutional.

A practical construction of the Constitution by Congress has only been treated by the courts as making the true construction in cases where the proper construction was not clear and the construction by Congress had been early adopted and uniformly adhered to. (*The Laura*, 114 U. S., 411; *Field vs. Clark*, 143 U. S., 849-601; *McPherson vs. Blacker*, 140 U. S., 1.) In the recent income-tax cases counsel for the Government pressed upon the court without effect the legislative practice during and since the war.

Nor can such a construction fairly be inferred from the other acts cited to sustain this proposition. Most of these acts may be classed under the general designation of "charities." Before 1863, or for three-quarters of a century after the formation of the Constitution, but three of such acts appropriating money have been found. They are the act of February 12, 1791, "for the relief of the inhabitants of San Domingo, resident within the United States, as may be found in want of support" (6 Stat., 13); the act of May 8, 1812, "for the relief of the citizens of Venezuela" (2 Stat., 730), and the act of January 24, 1827, "for the relief of indigent sufferers by the fire at Alexandria" (4 Stat., 356). Of these acts it may be said that that for the relief of the Alexandria fire sufferers was one passed while Alexandria was a part of the District of Columbia, and therefore directly within the jurisdiction of Congress, while the other two acts seem to have had some direct connection with our diplomatic relations, a subject solely cognizable by the Federal Government.

In the act of 1791 for the relief of the San Domingo sufferers it was provided that the amount of the relief should "be provisionally charged to the debt of the French Republic, subject to such future arrangements as shall be made thereon between the Government of the United States and the said Republic," with a further proviso that unless such arrangement were made within six months the relief should cease; while in the act of May 8, 1812, the relief was tendered "in the name of the Government of the United States to that of Venezuela." But on the subject of these two acts, as well as all the acts of charity passed since 1863, the remark made by Mr. Cambreleng, when the act for the relief of the Alexandria sufferers was being debated, may be quoted: "This was not the time nor the occasion to fight the battles of the Constitution. . . . God grant that it may never be surrendered to an enemy more formidable and dangerous than charity."

Of these so-called bounty and charity acts Judge Shepard said:

"All such acts, however worded or devised, have met with determined opposition and denial of power at all times, and it can not be said that they have ever received general consent or acquiescence. The fact that moneys have often been paid out under acts of doubtful or questionable validity can have no great weight under a system where the question, by reason of difficulties before alluded to, is so hard to be raised in an effective manner.

"But if there had been a practice by Congress uniform and generally acquiesced in, our opinion is so clearly against the validity of this act that we could not be controlled by it in the performance of our duty. No time, no acquiescence, no estoppel runs against the people under the protection of our written Constitution."

In which conclusion the Comptroller concurs.

It is furthermore suggested rather than urged that these bounties, being given to stimulate agriculture, whereby production, and as a result commerce, would be increased, might be sustained under the power "to regulate commerce with foreign nations and among the several States and with the Indian tribes." (*Constitution*, paragraph 3, section 8, Article I.) That contention seems to be conclusively settled by the opinions of the Supreme Court in *Veazie vs. Moore* (14 How., 568); *Kidd vs. Pearson* (128 U. S., 1), and *United States vs. E. C. Knight Company* (156 U. S., 1), wherein it was distinctly held that agriculture and manufacture were not commerce, and could not be regulated as an incident to the power to regulate commerce.

These cases seem also to dispose of the suggestion that the reciprocity feature of the McKinley Act might sustain the bounties; besides, the tariff and reciprocity features of the McKinley Act are independent of the bounty provision, as specifically held in *Field vs. Clark* (*supra*).

It is contended, however, that the power to appropriate is absolute in Congress, that it is a political power not cognizable by the courts, and that the correction lies with the people at the polls if its use exceeds constitutional limits. No authorities are advanced to sustain this proposition. The power to appropriate is coextensive with the power to lay taxes. The appropriation is the means by which the purpose for which the tax is levied is carried out. Unless, therefore, there is the power to tax, there can not be the power to appropriate. Whether a tax is laid for a public purpose may be inquired into by the courts, as shown by the cases already cited. In *Allen vs. The Inhabitants of Jay* (60 Mo., 124) the question was elaborately discussed and the conclusiveness of the legislative decision denied.

These various arguments were considered in the opinion of the court of appeals of the District of Columbia in the Miles case as not justifying the



sugar bounty of the McKinley Act as a constitutional exercise of the taxing power. It is sought to discredit that opinion on the ground that it is not a decision upon the merits of a question actually before the court necessary for determination, and therefore is a mere dictum; and also that that court is not a constitutional court of the United States, its opinion being of no more force than that of any inferior State court or Territorial court of the United States. The constitutional point, if not absolutely involved, was in fact raised and discussed by counsel because it could not be known that the court would decide the case on other points. Even if it be a dictum, it is entitled to the highest weight as the opinion of the judges who concurred in the same after argument and due consideration.

As to the character of that court, it need only be said that it is an appellate court created by Congress, whose opinions are entitled to as much weight as the opinions of the circuit courts of appeals of the United States. If the Comptroller is ever justified in following the opinion of an inferior Federal court which is founded upon the application of cases decided by the Supreme Court of the United States, and the reasoning of which is convincing to his own mind, certainly the Comptroller is justified in following this opinion of Judge Shepard, concurred in by Judge Morris and not dissented from by Chief Justice Alvey, the other judge who sat in the case.

But it is claimed that the case of *Calder vs. Henderson* (54 Fed. Rep., 802) is a dictum contrary to that in the *Miles* case. The *Calder* case was one between private individuals, and the constitutionality of the bounty was not drawn in question or argued and the opinion does not even refer to it. Even if that opinion be a dictum, holding the bounty constitutional, and be entitled to as much weight as the so-called dictum of Judge Shepard, there would then be two dicta, the one offsetting the other, by courts of equal standing. Under such circumstances, a private individual would unquestionably wait for a final decision by the court of last resort before irrevocably paying out his money. It would seem that the Government, as the agent of the people and the custodian of their funds, should do no less.

3. If the present claim were founded upon the provisions of the bounty clause of the McKinley Act, upon which the opinion in the *Miles* case was given, it would not be necessary to say anything more upon the subject; but it is founded upon an appropriation made in the act of March 2, 1895; and it is claimed that even if the original bounty provisions of the McKinley Act are unconstitutional, the appropriation now under consideration may be sustained upon the ground that Congress have the power to make appropriations founded on a moral obligation, and that such considerations exist for the payment of the claims covered by the appropriation in the act of 1895.

This contention is largely based upon the statement of Judge Cooley in his work on *Taxation*, on page 91, and the numerous cases cited in the notes thereto, and other cases of similar purport, that taxes may be levied to pay equitable claims. It is not to be denied that Congress has the power to make many appropriations based exclusively upon equitable considerations and for claims which are not legal obligations of the Government, and much legislation of that character has been passed.

An examination of all the authorities cited shows that the power has been sustained only in cases which were within the constitutional limits of the legislative power, and generally to pay equitable claims which would have been legal demands but for the failure to comply with some formality of law, or claims founded upon services voluntarily rendered or money voluntarily loaned, in cases where the legislature might have originally provided for the employment of the services or the borrowing of the money.

No single case has been presented in which it was held, or even suggested, that, if a matter had been originally beyond the power of the legislative body because in violation of the Constitution, the legislature by a subsequent act could have made it valid.

The contention that a moral obligation existed authorizing Congress to make the present bounty appropriation rests upon the alleged fact that by the sudden repeal of the bounty provision of the McKinley Act an injury was done to the sugar producers, who believed they would receive the benefits of that bounty, if not for the full period of time therein named, at least for all that had been earned under its provisions prior to its repeal and for the crop which, at the time of the repeal, was actually grown, but not yet manufactured. But it must not be overlooked that if the McKinley bounty was unconstitutional a wrong was done to the people whose money was paid out of the Treasury without their authority.

The theory which rests at the basis of this moral obligation is the repeal of a constitutional act. If the original act was null and void because unconstitutional, the cessation of payments thereunder because of its repeal would be no different from the cessation of payments because the act had been held unconstitutional by the Supreme Court. If the court should have held the act unconstitutional upon the same day that it was in fact repealed, no payments could have been made thereafter under the original act, and it can not be contended that Congress could by another act continue the unconstitutional provision because people at their peril had relied upon the original act as constitutional.

Such view would involve the result that a constitutional prohibition against a given expenditure could always be evaded simply by passing two acts, the first unconstitutional, the second valid because passed to compensate the disappointment arising from the unconstitutionality of the first, but both accomplishing the same original purpose of paying out the people's money to a beneficiary for a purpose forbidden by the organic law. This would be to continue the original wrong and to perpetuate the original usurpation. The justice and equity of the present bounty upon the theory of the repeal of a constitutional statute may be conceded. The question is not one of policy, but of power. If the power exists, the extent of its exercise is solely for Congress to determine, and no executive officer or court can question its conclusions. But if the power does not exist, no degree of natural justice and equity or moral obligation can justify Congress in assuming it or make its action valid.

Congress is the agent and representative of the people when it acts within its power, but when it does not act within its power, it does not act for the people, and having once exceeded its power, it can not, by its own act, ratify so as to make valid its own wrongful action. That can only be done by the people, whose representative it is, and by an amendment to the Constitution in the manner prescribed therein.

This is well illustrated by the forcible language of Mr. Justice Matthews in the opinion in *Pollock vs. Greenhow* (114 U. S., 270-280):

"The Government is an agent, and within the sphere of the agency a perfect representative, but outside of that it is a lawless usurpation. The constitution of the State is the limit of the authority of its government, and both Government and State are subject to the supremacy of the Constitution of the United States and of the laws made in pursuance thereof. So that, while it is true in respect to the government of a State, as was said in *Langford vs. United States* (101 U. S., 341), that the maxim that the king can do no wrong has no place in our system of government; yet it is also true in respect to the State itself that whatever wrong is attempted in its name is imputable to its government and not to the State, for, as it can speak and act only by law, whatever it does say and do must be lawful. That which, therefore, is unlawful because made so by the supreme law, the Constitution of the United States, is not the word or deed of the State, but is the mere wrong and trespass of those individual persons who falsely speak and act in its name."

This language, although spoken of a State, is equally applicable to the United States, and therefore a statute which transgresses the power conferred upon Congress by the Constitution is not the act of the people by their agents as perfect representatives or their word and deed, but the wrong "of those individual persons who falsely speak an act in (their) name"—an act of "lawless usurpation."

Therefore, if the McKinley bounty act was unconstitutional, the promise to pay the bounty was not the promise of the United States, or even the promise of their agents or representatives as such, which should be fulfilled. No moral obligation to fulfill this promise, for the making of which the people are not responsible, can arise from the wrongful assertion by their representatives, while acting beyond their power, that the promise is the promise of the people because made in their name.

It was suggested, however, that the people had got the benefit of their agents' act, and should therefore make good the promise. But if the bounty was not given for a public purpose, no such benefit was received. In all the above-cited cases where gifts were held to be unauthorized because for private purposes, that which was expected from the gift had been obtained, and yet none of the cases was upheld on this ground. In *Parkersburg vs. Brown* (supra) this suggestion was made without effect. It was said in that case (page 509):

"But it is contended by the appellees that independently of the original validity of the bonds the city is liable to pay them because it misled and prejudiced their holders and prevented them from resorting to the security, or because it received the full value of the bonds in consideration of paying them."

To which Mr. Justice Blatchford, who delivered the opinion of the court, answered:

"The only misleading or prejudice was that the holders of the bonds, mistaking the law, supposed them to be valid obligations of the city."

It is also suggested that when Congress gets out of the domain of law and into the realm of justice and equity its power is unlimited. That would no doubt be true if Congress could get out of the domain of law, but it can not do so. The limit of the domain of law to Congress is the extent of the legislative power conferred upon it in the Constitution, and its power to do equity and justice is restricted by its limitations.

As the courts can not declare any act of the legislature unconstitutional on the ground that it is contrary to the principles of natural justice and equity, neither can the legislature make an act constitutional which otherwise would not be so simply because in passing the same they were actuated by motives founded upon the principles of natural justice and equity.

The bounty of the act of 1895 is not limited to those who may have suffered an injury by failure to receive the bounty of the McKinley Act, but is given to all alike, whether they suffered loss or not. There is nothing which indicates that it was intended to make compensation for such injury, and that can not be implied. The provision now under consideration is simply the continuation in full of the bounty provision of the McKinley Act for the benefit of those who failed to receive that which they had already earned under the McKinley Act up to August 23, the date of its repeal. It is a mere continuance of the original provision, and if the original provision was invalid, it is inconceivable that the present provision can be any more valid.

4. Having reached the conclusion that the present bounty provision has no more constitutional validity than the original McKinley bounty had, it follows that the same action should be taken under the present appropriation as would be taken if the original bounty appropriation were still unrepaid and were held unconstitutional. If the Comptroller should pass the claims, the Government would be absolutely concluded and the money of the people be taken from the Treasury in payment of demands not authorized by law, if the appropriation is in fact unconstitutional. By a refusal to pass the claims the ultimate rights of the claimants are in no way affected, for they have a perfect remedy in court to test the validity of their claims and obtain payment thereof after a final determination of the constitutionality of the law, if it be held constitutional.

If the Comptroller had no other alternative than to pass or reject the claims for the reasons above given, his duty to the whole people, who can not bring their rights into court, would require him to reject them, leaving the claimants to their recourse to the courts, but Congress has provided another means of escape, apparently with the intention of relieving an officer who finds himself obliged to differ with the legislative branch of the Government or violate his oath to support the Constitution.

The papers in the present case will therefore be returned to the Auditor for transmission by him, through the Secretary of the Treasury, to the Court of Claims, under section 1093, for the rendition of a judgment, as required by the provisions of section 1094 of the Revised Statutes, in order that there may be furnished "a precedent for the future action of (the) Executive Department in the adjustment of (the) class of cases" involved in these sugar bounties.

R. B. BOWLER, Comptroller.

## The Tariff.

## SPEECH

OF

HON. IRVING P. WANGER,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Tuesday, March 30, 1897.

The House being in Committee of the Whole on the state of the Union and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. WANGER said:

Mr. CHAIRMAN: The caustic and brilliant criticism by the present distinguished Speaker of this House delivered in the Fifty-third Congress, that the mightiest and most successful effort of the Democratic President and Congress at that time was in the direction of the cessation of effort, of labor, and of industry, was, in my judgment, no less true and well founded than is the universal

hope of the tolling masses of this country, as well as of the people having capital for investment, that the excellent measure now under consideration, when perfected, will be a grand inspiration to effort, and will lead this country out of the slough of despond into the highlands of prosperity and contentment.

And it is gratifying to us all that there is a substantial basis for the conviction that the four years' blight which has sent sorrow into so many homes and dissipated so many fortunes will so pass from our land and be succeeded by the brightness and joy coming from expanding, prosperous industries.

Much as we may rejoice over this prospect of material improvement and prosperity, we can, as patriots yearning for the most perfect unity of loyal devotion to our common country, find no less occasion for delight in the just expectations for equally significant and fruitful harvests in that phase of the problem; and if there is any more favorable sign of the entire wiping out of all sectional feeling among the people of our country than is to be found within the provisions of this bill I fail to know where to look for it, because it is not simply the industries of one section of our country or one class of people, but of all sections and of all people that are to be subverted.

The sugar plantations of the South and their pineapple orchards receive as favorable attention as do the grass fields and potato gardens of the North, while the lumber, lead, and coal interests are promoted with special view to the prosperity of the forester and miner.

The gentleman from Georgia, my personal friend [Mr. BARTLETT], grew very eloquent and indignant yesterday afternoon, repudiating the idea that Georgia, or the South generally, or the Democracy, were to be bought by a mess of pottage. I do not suppose that they are to be bought by anything, Mr. Chairman, but I observed in the early part of yesterday's discussion that when a mess of bauxite was offered to them, they were very content to accept that, and no division was called upon the question of raising the duties upon that product of the South.

When they are so solicitous that the seats we occupy in the House may be occupied by our political opponents in future Congresses, I beg to call their attention to the propriety of looking to themselves and seeing whether their intelligent constituencies will not discriminate between their fiery philippics and denunciations and that condition of prosperity always at hand under a Republican Administration as compared with the condition of want and despair under a Democratic Administration. And when they realize that mighty difference, there is probably far greater danger that many of the estimable gentlemen on this side of the Chamber (by which side, of course, I mean the Democratic side) will find successors in other persons than there is of such a consequence prevailing upon the Republican side.

Rhetoric, however lurid, will not be weighed as of equal advantage to legislative provisions which tend to a development of resources; and the industrial progress of Georgia, Louisiana, and the rest of the South, under the provisions of this measure after it becomes a law, will menace the official tenure of our opponents far more than of ourselves. But be that as it may, we can justly content ourselves in serving our country according to the best lights of experience and highest impulse of patriots, and leave personal results to the future with confidence and content.

While generally approving this measure, I hope to see amendment in certain particulars, one of which is seed culture. It is the highest form of agriculture, and engages the most intelligent farmers, and conduces most to our independence. Think of dependence upon foreign countries for seeds! With farming unprofitable, the whole country languishes; with it prosperous, the nation is happy, and with a diversion of many producers of staples into growers of seeds much of overproduction of farm products may be avoided. I trust that the rates of duty on seeds in the bill as pending, although double what they have ever been before, will be still further advanced, and shall print in the RECORD an intelligent showing by a practical farmer and seed grower of the reasons and propriety for such increase.

Another subject which I trust for amendment is in making dutiable by name the articles known as catheters and bougies. The manufacture of these may seem trifling, but the reverse is really the case, and I allude to them particularly because of the conceded superiority of those made in this country, and shall print an article upon the subject by a distinguished surgeon. The policy of encouraging every display of skill and enterprise in the production of articles of utility, however trifling in size, will tend to promote the production of all similar articles and greatly diversify our manufactures.

A feature of the measure deserving special commendation is the limitation upon the value of articles purchased abroad which tourists may enter free when returning. It has been the cause of much just criticism that the American spending the summer abroad could bring his year's supply of clothing and many other articles home untaxed, to the disadvantage of our artisans, manufacturers, and general consumers, and every true American will

rejoice that the curb is to be applied, and the only fair criticism will be whether it is as closely applied as should be. A great gain will be made, and if experience shows the margin to be too great, the amount can be halved or quartered.

Appreciating that the most effective service toward the passage of this measure, which the country is so earnestly demanding, is the avoidance of prolonged discussion, I shall conclude with grateful acknowledgments for the opportunity to submit these few observations and for the kind attention of the House.

## APPENDIX A.

## TARIFF CATECHISM; OR, QUESTIONS AND ANSWERS UPON THE TARIFF ON SEEDS.

[By D. Landreth & Sons, Philadelphia, seed farmers for one hundred and fourteen years. Established 1784.]

Question 1. What have been the various tariff rates on garden seeds?

Answer. Our knowledge of the seed business goes back to 1784, from which date up to 1861 there was no duty upon garden seeds, all revenue bills classifying seeds on the free list. Subsequently, 30 per cent under the bill of 1861, 30 per cent under the bill of 1862, 20 per cent under the bill of 1874, 10 per cent under the bill of 1894, now in force.

2. Q. How many systems are there under which tariff is collectible?

A. There are two distinct systems: First, the ad valorem, which is at present in operation as applied to seeds, and under which system a fixed percentage is assessed on the value of the merchandise as shown on the invoice; for instance, if the invoice value of the goods is \$1 per pound and the duty 25 per cent, the amount collectible is 25 cents. Second, the specific system, under which a fixed number of cents is laid upon a fixed quantity, as by the pound, the bushel, or the yard; for instance, on pease, it might be, and should be, 40 cents on each bushel, irrespective of the value of the bushel.

3. Q. Why do you recommend specific duties instead of ad valorem?

A. To prevent fraud, as under the ad valorem system the invoices under which the foreign goods are entered may be fraudulent; that is, made out at less than the actual prices agreed to be paid to the foreigner. At the Treasury Department at Washington is a record of a case of an American seedsmen who paid duty upon false invoices and subsequently had to pay a penalty of about \$5,000, the estimated amount of deficient duty. Again, the firm issuing this circular was a few years ago asked by a foreign firm of seed dealers if they should make out for this firm two invoices, the first invoice showing the actual prices to be paid for the seed; the second invoice made out at low prices to be presented to the custom-house officials. The foreign firm said they frequently did this for American importers.

4. Q. When there are some seeds on the free list of similar appearance to others on the dutiable list, are the dutiable varieties ever passed off as the free-list varieties?

A. Often; for example, for some years sugar-beet seed has had free entry, consequently dutiable beet seeds have been entered free of duty as sugar beet. Ruta-baga seed is dutiable, but it has been entered free as rape seed.

5. Q. Is it necessary that protection should be given to the American grower of all garden seeds?

A. Yes; at one time seed farmers and merchants thought to the contrary. They thought that in this country we possessed, by reason of our soil and climate, a monopoly upon the growth of the seeds of some semitropical plants, as tomato, eggplant, and melon, but even these are now grown in quantity and offered at ruinous prices, from southern Europe, Algeria, Tunis, and Egypt. The conditions bearing upon Egyptian cotton as competing against the product of the Southern States are repeated in the growth of seeds. Egyptian onion seed is now sold in London at 6 cents per pound, the normal price for past years being 40 to 50 cents per pound. The competition then was bad enough from the grower who wore wooden shoes and lived in a cabin with an earthen floor, but competition now is from the "fellah" of Egypt, who goes barelegged all the year round.

6. Q. What was the influence in 1894 which caused the reduction of the duty on seeds from 30 to 10 per cent ad valorem?

A. The influence upon the committee dealing with the subject of the tariff of certain parties largely engaged in the importation of European seeds. Seed farmers had no influence whatever with the Congressional committee, their representatives being ignored in favor of these seed merchant importers, who pressed their claims to a successful issue.

7. Q. Is not the 3,000 miles distance of foreign seedmen a serious barrier to the free importation of foreign seeds?

A. No barrier whatever, the freight from London and Paris being only one-half cent per pound; less than freight from Philadelphia or New York to Cincinnati.

8. Q. Do foreign seed establishments have agents in this country?

A. Yes; a dozen seed firms have resident agents, and, in addition, they send over every year commercial travelers who scour the whole country, and at the expense only of railway fares and hotel bills, come into intense competition with American taxpayers, who certainly have claims to protection.

9. Q. If cheap foreign seeds are allowed to continue in competition with American seeds, what will be the result upon American productions?

A. Ultimately a final stoppage of the growth of American seeds, preceded by a lowering of quality of American seeds, the natural result of an effort to cheapen their cost. Under exceedingly low prices the grower is not warranted in expending cash for the necessary labor in taking mixtures out of his crop, which removal of individual plants reduces the quantity of the crop harvested.

10. Q. What is the view among Europeans as to the value of the United States as a seed market?

A. They look upon this country as a gold mine, no other country in the world offering them such large, constant, and good-paying customers. At present they have a cinch on every seed farm in the Union.

11. Q. Name the European countries in their relative order as respects the amount of their seeds sent to America.

A. France, Germany, England, Holland, Italy, and Denmark.

12. Q. Why are European seeds cheaper than American?

A. Because of cheap European labor, farm labor on the continent ranging from 30 to 50 cents per day for fourteen hours. Still less on the north coast of Africa and in Egypt.

13. Q. What have the domestic, social, and educational conditions of European seed farmers to do with the tariff question?

A. Everything to do with it; for, under the conditions in which they exist, they do not know one want in five of the family of the American seed farmer. They have none of the aspirations of an American. They do not conceive of such wants existing; consequently their labor is cheap and they are content to just vegetate. The low-down condition of continental seed farmers is so sad as to elicit the deep sympathy of every American, but that is no reason why Americans should open their ports to cheap European competition unless



they are satisfied that their sons shall in the next generation be brought down to the European conditions.

14. Q. Do many American merchants deal in foreign-grown vegetable seeds?

A. Nearly all. They are obliged to; and the number is increasing every year, because they have to sell as cheaply one as another, or have their trade taken from them by those merchants who do sell the low-priced foreign seeds. The commercial travelers of foreign establishments cover this country every summer like partridges. No merchant is too small for them to visit and offer their temptingly low prices. The consequence is foreign seeds are fast supplanting the American. Low prices influence the orders without regard to source of origin.

15. Q. Are the imported seeds which are sold to American gardeners passed off as of American origin?

A. Nothing is said of their origin to the gardener unless he insists upon an explanation, and then often he is deceived.

16. Q. Are foreign seeds of good quality?

A. Often very excellent, but not better than American. Those which are best adapted to our climate and to our wants are grown from American stock seed developed here and sent abroad to be grown for a crop to be returned. Thus the crops which should cover tens of thousands of acres belonging to our own people are cultivated by the foreigner, while our own people cry out for something to do besides growing corn, wheat, and potatoes.

17. Q. From whom does the American seed merchant who desires to purchase foreign seed get his supplies?

A. From some of the many well-known seed establishments in England or on the Continent. Firms of the highest degree of technical intelligence and of rare business capacity. Few of these establishments cultivate their own land to a broad extent, but contract for their supplies with small peasant farmers. It is these peasant farmers, with their simple wants, who compete with American seed farmers.

18. Q. Are the transatlantic mails used by foreign seedsmen for the distribution of their seeds free of United States duty?

A. Yes; more and more every day. Flower seeds, which under the present law are on the free list, are largely sent from Europe in that way to seed merchants in this country, 2 or 3 ounces or 4 or 5 ounces in each packet. By the ounce these seeds are often worth three or four dollars, sometimes twice that value. Some seeds are worth \$20 an ounce. Retail packages are also sent direct to retail buyers, to whom the foreign establishments send their retail catalogue. It is quite possible that in the future an immense business may be developed by the foreign establishments with consumers in this country, and the producers of seeds in this country suffer to that extent.

19. Q. What is the annual value of garden seeds imported?

A. About \$2,000,000.

20. Q. To what extent do American seed farmers want the duty raised?

A. They want a duty on seeds which, placed on top of the cost of importing seed, will raise the total cost here to the normal cost of the same variety grown on American farms. Farmers do not ask prohibitive rates, but just fair play and no favor on either side. Now the favor is all on the side of the foreigner, and that certainly is wrong.

21. Q. To what extent must foreign seeds be taxed to help American seed farmers?

A. Five cents per pound on all low-priced seeds, 10 cents per pound on all intermediate-priced sorts, 20 cents per pound on all high-priced sorts.

22. Q. If the duty on seeds should be raised from the present rate of 10 per cent to an equivalent of 30 per cent, would not that be protection?

A. No protection whatever. No tariff rate protects unless it raises the cost of the foreign article up to the cost of the American. Certainly, seeds are as worthy of protection as sugar, which has 40 per cent; rice, which has 75 cents a bushel; potatoes, which have an equivalent of 40 per cent; apples, an equivalent of 50 per cent. If the intention is to foster the most technical, the most intense branch of agriculture, then the American producer of seeds must be given an equal chance with the foreign competitor.

23. Q. Estimated in the cost of raising seeds, what proportion represents labor?

A. Fully 80 per cent. Everything is labor except the natural growth consequent upon physical conditions of soil and climate.

24. Q. Will not the market gardener have to pay more for his seed if foreign seed is subject to duty?

A. Yes; a little; but only a few cents per acre, as, for example, with beet seed, sowing 8 pounds to the acre, under a duty of 5 cents per pound, the extra cost would only be 40 cents per acre. With cabbage seed under a duty of 20 cents per pound, one-fourth pound being sufficient for an acre, the increased cost to the market gardener would only be 5 cents per acre. Besides, nearly all market gardeners are seed growers, and would profit by the tariff protection.

25. Q. How are garden seeds developed to a high standard of quality, and how are they retained at that standard?

A. By processes of selection extending over years, the removal, season after season, of all individual plants not up to the theoretical standard as respects shape, size, color, and period of maturity. All this costs money, and can not be done except under prices that will pay the cost.

26. Q. Why was sugar beet put upon the free list?

A. To lighten the costs of experiments in making beet sugar; but now, the sugar manufacturer being on a firm basis, should no longer need that bonus at the expense of the American seed grower. It is demonstrated that good sugar beet seed can be grown in this country, and the 700,000 pounds annually imported should be grown here and the seed farmer now encouraged to grow seed the same as the sugar manufacturer was encouraged to make sugar.

27. Q. If good seeds can be raised in America, why do American seed merchants buy European seeds?

A. Because of business necessities. Because some seed merchants are dealers alone in European seeds, which they get at a cheap rate, and other merchants, even while they may be American seed growers, are forced to import many of their supplies if they expect to compete with the importer. It is evident that they must obtain their supplies as cheap as the importer if they expect to hold their business. They must either become importers or shave down the price paid the American grower.

28. Q. How many seed farms are there in the United States?

A. The agricultural census shows a record of 596 seed farms, of a total of 170,000 acres. The number of farms reported certainly does not comprehend one-half of those existent.

29. Q. What is the amount of investment in seed farming?

A. According to the last census \$18,000,000 invested in farms, buildings, and implements.

30. Q. What is the amount of investment in market-garden farms?

A. According to the last census \$70,000,000.

31. Q. What is the estimated value of the seed business of the United States?

A. About \$15,000,000 as done by first hands, largely increased by jobbing the seeds.

32. Q. Do the facts prove that European seedsmen are organized to capture the American market for seeds?

A. Yes; they will certainly capture the entire American seed trade, even if

they have to reduce their present prices 40 per cent. They can reduce them, and will do so unless barred by a duty so high as to give the American seed farmers a chance to continue in business.

33. Q. What is the quantity of leading sorts of seeds imported free of duty per annum?

A. Clover seed.....	pounds.....	4,115,000
Grass seed.....	do.....	2,900,000
Hemp seed.....	do.....	2,700,000
Mustard seed.....	do.....	1,600,000
Rape seed.....	do.....	1,100,000
Sugar-beet seed.....	do.....	700,000
Canary seed.....	bushels.....	101,000

34. Q. How many bushels of Canadian peas are annually imported?

A. Two hundred and eighty-five thousand six hundred any seventy-eight bushels, according to a special report obtained from the Treasury Department, every bushel of which could be grown in the State of New York, Michigan, or Wisconsin if the tariff rate was higher. A cessation of the American orders to Canadian farmers would be a most serious loss to them, but self-preservation is the first law of nature. Something has got to be done to revive all our drooping agricultural interests and to diversify them.

35. Q. What is the present duty on peas?

A. Twenty cents a bushel. It should be 40 cents; this would put the American pea grower on a competitive base—not more.

36. Q. What very practical course in addition to a good stiff tariff can be adopted to prevent European seed establishments from absorbing the American seed trade?

A. By requiring both foreign and American salesmen representing European establishments to take out a five-hundred-dollar license to sell in every revenue district which they enter. American seedsmen, both seed growers and seed merchants, pay taxes; so should foreign seed merchants who expect to do business in the United States. Under the international-commerce act it has been pronounced unconstitutional to require salesmen of American houses to take out selling licenses, as commerce between the States must be free; but this does not apply to salesmen of foreign establishments whose employers do not contribute to the support of this Government as does every American farmer.

37. Q. Such a license law as this would entirely stop the coming to this country of the commercial travelers of foreign establishments.

A. Exactly; that's just what the seed farmers desire. They want the salesmen of the foreign establishments to stay at home. Seed merchants here who want to purchase foreign seeds can get all they want by correspondence.

38. Q. Who are the seed farmers of the United States?

A. The very best class of farmers, men who want to diversify the operations of agriculture, leading spirits in their respective communities.

39. Q. In what respects do the American seed farmers differ from the European growers of seed?

A. Here the seed farmer lives in a good house, he educates his children and dresses in good clothes. On the Continent the seed farmer lives in a cabin with a stone, if not earthen, floor. He wears wooden shoes. He has no aspirations above those which his grandfather had. It is this kind of a man who raises seed so cheaply that the American farmer has to surrender to him the growing of seeds, which work should be the most elevated work an American farmer could do.

40. Q. If the tariff protection to garden-seed farmers should be made stronger, should not the same rule apply to all other farmers?

A. Under the Wilson bill, grain farmers, while they do not have sufficient protection, are far better protected than seed farmers. For example: 10 per cent is the rate on garden seeds, but grain farmers are protected by 20 per cent on corn, buckwheat, barley, wheat, oats, rye, beans, apples; 15 cents per bushel on potatoes, 75 cents per bushel on rice. While these rates on the cereals are not high enough, is it not ridiculous that garden seeds should only have one-half the protection of a common crop like oats? Or compare the costs of a crop of commercial beans harvested in ninety days from planting, a crop which can be grown by any inexperienced farmer and under an ad valorem protection of 20 per cent, with a crop of cabbage seed which has only 10 per cent protection—a crop taking fifteen months from planting to harvest, and only successfully grown on high priced land, because the crop requires the best soil, a crop requiring expensive and diligent culture, and subject to many reverses. It is a sad commentary upon the intelligence of our lawmakers.

41. Q. If the farmer is the most independent among men, why does he want an increased tariff?

A. He is no longer the most independent, as everything he grows brings him far less than ever before. His products are the shuttlecocks of all other commercial interests. Every manufacturing interest is first looked after and well protected, while the farmers' interests are knocked about from side to side. Men of fixed salaries, in many instances the same now as twenty years ago, can with the same money buy nearly twice as much of everything as then; but the farmer's income is not fixed, but on the contrary has been steadily decreasing for twenty years, until now it is half of what it was then, while the salaries and incomes of men of other pursuits are about the same, often higher. If the farmers were put into a position to buy freely, their expenditures would create a fabulous demand for every article of trade, but so long as the farmer languishes, so will general business, as agriculture is the foundation of all prosperity.

42. Q. What part of the United States is interested in the protection of garden seeds?

A. All portions. Garden seeds are grown from Maine to Louisiana, from Jersey to California. California is now one of the leading States in this most important branch of agriculture. According to last census the seed farms were divided as follows:

North Atlantic division.....	258
North Central division.....	137
South Atlantic division.....	29
South Central division.....	57
Western division.....	25

43. Q. What amount of garden seeds does California and Oregon produce annually?

A. The product of 7,000 acres in seed crops, amounting to about 60 tons of seed of lettuce, 500 tons of seed of onion, 60 tons of seed of celery, 50 tons of seed of carrot, 200 tons of seed of other vegetables, 100 tons of seed of sweet peas.

44. Q. Should not seed farming be protected and fostered equally with other interests?

A. Undoubtedly, for seed farmers widely scattered over the country do not belong to trade unions or protective associations as do the manufacturers and their employees, consequently seed farmers have not been able to bring upon Congress, especially upon tariff committees, the required influence to gain their close attention, seed farming compared with many far more extensive pursuits having been completely eclipsed—pushed aside—by matters considered of far greater importance. The manufacturer, on the other hand, is always on dock to plead his cause, and he gets attention, even if the products of the farm go unprotected.

45. Q. How do the prices paid by gardeners for seeds in the United States compare with prices paid by gardeners in European countries?

A. Under low or practically no duties the American gardener buys his seed at prices 50 per cent lower than the English, French, or German gardeners pay. This is because the European seed merchants wholesale their seeds to American merchants at lower prices than they wholesale in their own countries, America affording an outlet for surplus stocks, speculative crops, and contract crops, which, under the circumstances, the foreign merchant is glad to sell or contract to supply. All such sales or contracts he is glad to add to his normal business. This assertion as to the difference in retail prices paid by European and American gardeners can be proven in a moment by a comparison of American and European catalogues.

46. Q. How does seed growing rank with general agriculture?

A. It is the most intense effort of agriculture, all success in the growing of crops depending upon the purity and merit of the seed stock. If agriculture is the basis of our national prosperity, good seed certainly is the beginning of all wealth. American seed farmers can not raise good seeds unless encouraged to do so by protection against the competition of seeds from abroad, which are landed here, duty and freight paid, 50 per cent below our cost of production.

47. Q. Are there any kinds of garden vegetable seeds which can not be grown in the United States?

A. None. At one time it was thought cauliflower seed could not be grown within our borders, but now California produces it in very large quantities and of excellent quality.

48. Q. As all these arguments are in the interests of the American farmer, an inquiry is in order if there is any movement among importers to influence Congress in favor of keeping the tariff where it is?

A. Yes; a very earnest effort, both public and private. Foreign agents resident in New York and representing European nurserymen and seedsmen have had meetings this January to discuss the subject. What they did is not known, but they have had experience, while the American seed farmers, widely scattered, are without organization. In addition to the influence of the agents of foreign nursery and seed establishments, there is the far stronger influence of some American seed merchants, large importers, who always have been prominent in opposing any tariff on seeds.

49. Q. Should garden seeds be considered a crude or finished product?

A. They are finished, because the work can be carried no further. They are developed from a crude product of nature—the vegetable—and only obtained after a season of culture, and a process of selection extending beyond that given to vegetables cultivated by market gardeners. The risks of insect depredations and climatic injuries are extended far beyond the risks of the vegetable grower.

50. Q. What is the difference, as understood at the present day, between garden seeds and field seeds?

A. By the term "garden seeds" is understood seeds producing plants of edible tissue, either above or below ground; esculent plants used without process of manufacture. Garden seeds are not necessarily planted alone in gardens, for, under the present vast extent of market gardening in the States, garden seeds are planted on as broad fields as corn, wheat, or grass. Seeds of ornamental flowers are also garden seeds. By "field seeds" are meant those of wheat, corn, sorghum, clover, and grass, all, excepting forage plants, requiring processes of manufacture to fit them for use.

51. Q. Are American seeds of better vitality than foreign seeds?

A. Most decidedly of better vitality, being ripened thoroughly under our hot sun, and during our dry summer. American seeds are more vital two years old than foreign seeds are one year old—a very important quality—and yet foreign seeds by their low prices supplant the better article.

52. Q. Give an example of the results of a 5-cent specific duty per pound on turnip seed.

A. Foreign turnip seed costs to import under the present duty 8 cents per pound. Now, 5 cents per pound on this would make it cost 13 cents. The American farmer can not grow turnip seed to make any profit at less than 15 cents; thus, 5 cents per pound will not even protect him.

53. Q. Give an example of the results of a duty of 30 cents per pound on cabbage seed.

A. Foreign cabbage seed is now landed under the present duty at from 18 to 25 cents per pound; 30 cents per pound duty on this would raise the cost to 33 and 45 cents per pound. American seed farmers can not grow cabbage at any profit at less than 40 cents per pound.

54. Q. What duty does the German nation levy upon seeds entering that empire?

A. On wheat, 22 cents per bushel; on oats and buckwheat, 12 cents; on barley, 13 cents per bushel; on Indian corn, 15 cents per bushel.

55. Q. What duty does the French nation, for the purpose of stimulating agriculture, levy upon seeds entering France?

A. On wheat, 25 cents per bushel.  
On peas, beans, Indian corn, barley, rye, rice, 15 cents per bushel.  
On buckwheat, 12 cents per bushel.  
On oats, 10 cents per bushel.  
On sugar-beet seed, 3 cents per pound.  
On clover, \$1.50 per bushel.

56. Q. How does the French tariff bear upon tobacco as an agricultural product, which the French people desire to protect?

A. Under penalty, if sold in trade. The French law permits an individual to import for his personal use 25 pounds per annum of cigars or cigarettes under a duty of \$1.50 per pound, or to import 25 pounds of snuff under a duty of \$1.40 per pound.

There is existing in France a tobacco monopoly in which the Government is a partner, which monopoly is permitted to import tobacco in all forms free of duty; but any and every other corporation, firm, or individual in France is absolutely prohibited from importing a single pound of leaves, stalk, juice, or tobacco in any form whatever.

57. Q. Is there in foreign countries a disposition to remove or reduce their tariff rates?

A. No disposition of the kind, but, to the contrary, a determined effort to increase them. In the summer of 1896 an international convention was held in Budapest at which it was decided to advise the governments of central Europe to lay heavy duties upon every kind of seed and grain from America.

58. Q. Why do the authors of this catechism so strongly advocate protection against the free entry of foreign seeds?

A. Because they are practical seed growers on 1,800 acres which they hold in fee simple, and on which they have expended vast sums in buildings, machinery, and appliances, and because they have seeds grown on contract by American farmers on still larger areas. What they say in this catechism they say not for themselves, but for all American seed farmers.

NOTE.—Since the above fifty-eight questions and answers were printed the authors have been informed that the House Committee on Ways and Means has decided upon the agricultural schedule as follows:

Hay, \$4 per ton. This is designed to protect the farmers of the border States, where the normal value of hay is \$6; consequently the duty on hay will be equivalent to 66 per cent.

Hops, 15 cents per pound, equal to 100 per cent.

Corn, oats, buckwheat, all at 15 cents per bushel, which is equal to 50 per cent.

Wheat, 15 cents per bushel, which is equal to 33 per cent.

Rice, 75 cents per bushel, which is equal to 50 per cent.

Potatoes, 25 cents per bushel, which is equal to 50 per cent.

Cabbage heads, 3 cents each, which is equal to 100 per cent.

The members of the committee do not know that cabbage heads have first to be grown to full perfection, and afterwards be stimulated by fertilizers, and subject to favorable or unfavorable climatic influences covering a second season of eight months' additional time, in order to produce seed. These gentlemen propose 100 per cent on the unfinished product, the cabbage head produced the first season, and 50 per cent on the seed product obtained from it the succeeding summer.

The committee propose 40 per cent on vegetables, but only 20 per cent on their subsequent product. This can easily be understood in the case of onions, where the proposed duty is to be 40 cents a bushel on an article seldom worth 40 cents, therefore 100 per cent, but the seed subsequently produced from the onion to have only 20 per cent protection.

The authors of this catechism do not object to the increased duties on farm products. They highly approve of the changes; have advocated them earnestly as absolutely necessary for the protection of the agricultural interests of the nation; but they ask that the most advanced branch of agriculture be given protection equal to the lowest branches. What is required, indeed absolutely necessary, is indicated under paragraphs No. 20, 21, and 22. Anything less will not afford any relief.

## APPENDIX B.

[Reprinted from the New York Medical Journal for July 23, 1893.]

NOTES ON AMERICAN CATHETERS AND BOUGIES.

[By J. W. S. Gouley, M. D., Surgeon to Bellevue Hospital.]

The necessity of resorting to artificial means for relief of the distended urinary bladder must have compelled primitive man to improvise hollow cylinders sufficiently long and slender to enable him to pass them into the urethra and thus reach and empty the bladder. These original tubes of many ages past were probably straight, rigid, and nonmetallic, but there are abundant proofs that two thousand years ago catheters were straight and curved, rigid and metallic; witness those found in the ruins of Pompeii. The employment of flexible nonmetallic instruments appears to be of comparatively recent date.

Soft, pliable catheters of animal tissue seem to have been made during the eleventh century, but their use did not become general until the latter part of the last century, when they were constructed of woven-silk cylinders coated with an elastic varnish. Apparently the first of these elastic instruments were manufactured by the jeweler Bernard, of Paris, in the year 1779, the suggestion respecting the varnish having been made by Herissant. Afterwards Thedn, of Berlin, carried out Herissant's idea of using india rubber dissolved in ether; but Bernard had already omitted the india rubber from the component parts of his varnish. In 1785 Pickel, of Würzburg, published the formula for a new varnish, into whose composition no india rubber entered, and gave a detailed account of the manner of coating the instruments. Since then many improvements in the details of manufacture have been made, and the so-called gum catheters have gradually replaced metallic instruments in most cases requiring frequent catheterism. Bougies of the same materials were used and are still made to be used instead of the metallic, emplastie, and wax bougies.

Until recently France, Germany, and England seem to have supplied the greater part of the gum catheters and bougies used in different parts of the world. The first large manufactory of catheters in England was established many years ago by a German, Mr. Eschmann, whose successors are still engaged in the extensive manufacture of these instruments. About fifty years ago, says Mr. Stohmann, soft catheters and bougies were manufactured in the United States by a Frenchman, Mr. Petrie, who had established himself in Philadelphia, but soon gave up the business because the demand for his instruments was too limited, on account, perhaps, of their being inferior to those imported from France.

From that time it does not appear that any attempt was made to manufacture gum catheters in this country until the year 1879, when Mr. Roy, son-in-law of Mr. Bénas, of Paris, established a catheter factory in one of the suburbs of New York, and continued to supply, to a limited extent, the demand for gum catheters until 1890, when his establishment was closed. Thus far the home manufacture of these catheters had affected but little the importation of French, English, and German catheters.

It has not been possible to obtain strictly accurate information relating to the importation, home manufacture, and consumption of soft catheters and bougies, but some of the merchants and manufacturers assert that the annual sale is about 1,000,000 soft catheters, of which 200,000 are of india rubber and 110,000 bougies. In 1887 the importations of flexible web catheters were about as follows:

From England, 550,000; from France, 150,000; from Germany, 50,000. During the year 1887 the J. Ellwood Lee Company, of Conshohocken, Pa., began to manufacture web catheters on a small scale; but, having improved the necessary machinery, soon obtained excellent results and so extended their establishment, which is perhaps the largest catheter factory known, as now to be able to manufacture 375,000 web catheters and 50,000 bougies annually. Until the end of 1875 nearly all the soft vulcanized india-rubber catheters used in this country were imported. In 1876 the firm of George Tiemann & Co., of New York, began the manufacture of india-rubber catheters with countersunk blunt-edged eyes, under the name of velvet-eyed catheters, and also some catheters of the same material with no lateral eye, but open at the vesical end.

The following-named firms have since been engaged in the manufacture of soft-rubber catheters: The Davidson Rubber Company; Parker, Stearns & Sutton; the Akron Rubber Company; the Tyler Rubber Company, and several other companies. At present, of the 200,000 india-rubber catheters sold annually in the United States, only 30,000 are imported. In 1891 the importation and the home manufacture of soft catheters and bougies bore the following proportions:

Cheap commercial catheters, English	200,000
Better qualities of catheters, English	40,000
Better qualities of catheters, French	35,000
Better qualities of catheters, German	10,000
Soft india-rubber catheters, English	30,000
Cheap commercial bougies, English	45,000
Better qualities of bougies—English, French, and German	15,000

Total imported..... 475,000

Cheap commercial catheters, American	100,000
Better qualities of catheters, American	275,000
Soft india-rubber catheters, American	170,000
Cheap commercial bougies, American	30,000
Better qualities of bougies, American	20,000

Total home manufactured..... 595,000

Thus in the lapse of a few years this industry has been developed to a degree which has already permitted in a year the exportation of 100,000 web



catheters to England, Ireland, Scotland, France, Germany, Spain, South America, Australia, and India. There is also a large export trade in rubber catheters. These American catheters and bougies are fully equal to those manufactured in foreign countries, and some of them are even superior, notably the commercial and the best woven-eye silk catheters, as will be seen by a comparison of the tensile strength and of the quality of the varnish of the different instruments in use.

The American (Biemann's) India-rubber catheters are superior to those of foreign importation in the construction of the eye, in the high polish of their surface, and in the smoothness of their interior.

The substances used for the framework of American web catheters are cotton, flax, ramie, and silk. The labor of weaving the cylinders is nearly the same in all qualities of web catheters, and the same varnishes are used for coating the different grades. The cost of the raw materials and the labor in finishing make the difference in price of the several qualities. In the higher grades of catheters the eye is woven, while in the lower grades the eye is punched.

Within the past few months a new catheter factory has been established in the city of New York, under the firm name of C. F. Kingstone, formerly of Roy & Co. The managers are C. Bénas and C. Roy. The quality of catheters and bougies manufactured at the Kingstone establishment is fully equal to that of the best instruments ever made in Paris.

The properties of good web catheters may be stated as follows:

1. They are thoroughly, but not too thickly, coated with varnish inside as well as outside, and highly polished. The varnish is pliable, not apt to crack, and resists the action of moist heat up to 212° F.
2. In length they do not exceed 33 centimeters (about 13 inches).
3. In diameter they vary from 2 to 9 millimeters.
4. The distal extremity of their single oval eye is 1 centimeter from the point, which is smooth and rounded. This eye, in curved, elbowed, and double-elbowed catheters, is generally lateral; but in some of these instruments the eye is superior, corresponding to the concavity of the bend, and in other cases the eye is omitted, the catheter being open at both ends, or, in addition to the eye, the vesical end is open for catheterism upon a whalebone conductor.

Good web catheters are firm but pliable, never rigid, from the proximal to the distal end. A web catheter with a rigid vesical extremity is a dangerous instrument, liable to cause false passages in the deeper regions of the urethra.

6. The form of the vesical extremity is in accord with its intended uses. Straight web catheters are not so safely and easily used as the curved, elbowed, or double-elbowed, the curved form being the most easily introduced into strictured urethra and in the majority of cases of enlargement of the prostate.

7. The tensile strength of the different qualities of web catheters was ascertained by experiment to be as follows:

The breaking strain of an English commercial catheter was 42 pounds, the breaking strain of an American commercial catheter was 54 pounds, the breaking strain of an American lisle-thread catheter was 56 pounds, the breaking strain of an American silken-linen catheter was 60 pounds, the breaking strain of an English silk-web catheter was 85 pounds, and an American silk-web catheter of best quality was then tested to 115 pounds without breaking, but the varnish was stripped off at each end.

When it is necessary to retain a catheter in the urethra and bladder, the physician should select one which has not been too thickly coated with varnish. The highest grade of catheter is not always the best for this purpose, because in the course of twenty-four hours the urine filters through the internal wall of the catheter, the silk webbing is saturated, swells irregularly, and uplifts here and there the coating of varnish, which soon scales off, while the lisle-thread, silken-linen, and those silk catheters with thin external coating resist longer the action of the urine, and do not lose their smoothness after being retained forty-eight hours in the bladder. If, however, the interior of all web catheters were thoroughly varnished, and thus rendered impervious to moisture, there would be no irregular uplifting of the surface and no scaling.

The American commercial catheters have lately been much improved in quality, and they may be found very useful in hospital as well as in private practice. Their cost is little as compared to that of the higher grades. A catheter of this kind may be used for a single day and thrown away, or may be repeatedly boiled without injury, and used as long as the surface of the instrument retains its smoothness. These improved instruments are known as "10-cent catheters."

No catheter whose surface is fissured or otherwise roughened should be passed into the human urethra, because it would not only irritate this canal, but convey therein septic germs. For general use physicians will find it advantageous to purchase the higher grades of web catheter, because, with proper care, they last long and retain their suppleness and smoothness. After having used an American silk-web catheter 300 times, its surface was found to be as smooth as in the beginning.

The instrument was then retired from active service to be preserved as an illustration of the excellence of home manufacture. Another American silk catheter was used 1,200 times by a patient, and was set aside only because its surface had become irregular, although it was not cracked.

It may now be proper to make a few suggestions respecting the kind of care web and soft-rubber catheters require to render their employment safe to patients and easy to physicians:

1. All web catheters should be kept at full length and never coiled; otherwise the varnish will surely crack.

2. Web catheters should be loosely wrapped in dry antiseptic gauze and preserved in tightly closed metal cases until wanted for use. After they have been used they should be carefully cleaned, thoroughly dried inside and outside, then replaced in the gauze and case, or they may be carried in hollow walking sticks.

3. Soft-rubber catheters should be kept at full length, never coiled, and should be wrapped in moist antiseptic gauze and preserved in tightly corked glass tubes capable of containing three or four catheters, because exposure to the air leads to rapid oxidation, which causes the instruments to become hard and brittle.

Before using a rubber or a web catheter it should be dipped for a minute in a 1 per cent carbolic-acid solution, but not longer, as carbolic acid, even in such a weak solution, acts injuriously upon the varnish of web catheters, as well as upon rubber catheters, by prolonged contact.

4. Before using a web catheter it should be slightly warmed by friction in the hands and by a momentary immersion in warm 1 per cent carbolic-acid solution to prevent cracking of the varnish, particularly during cold weather.

5. Web and rubber catheters are much injured by fats of all kinds, by glycerin, by saliva, and by vaseline, which, however, seems to be the least hurtful of these lubricants. If used at all, it should be in the smallest quantity—just enough to very thinly coat the catheter. Some physicians reject not only the fatty but all other lubricants, and think it sufficient to moisten the catheter with warm water. More soft catheters are destroyed by the excessive use of fatty substances than by any of the many other abuses to which they are subjected. Therefore there is need of a lubricant which shall not be irritating to the urethra, and which shall contain no fat and no free alkali to deteriorate the varnish of web catheters and soften rubber catheters.

After examining different substances it was thought that a watery solu-

tion of dry soap, with the introduction of some ingredient to add lubricity to its viscosity, would be likely to answer the purpose. On consultation with Dr. Charles Rice, the chemist of the department of public charities, the following formula for a saponic lubricant was agreed upon:

White castile soap, powdered ..... 300 grains.  
Tincture of quillaja (1 in 5) ..... 4 fluid ounces.

Water, a sufficient quantity.  
(Product, about 1,420 grains.)

*Mode of preparation.*—Pour 2 fluid ounces of water into a tared capsule, heat the water to boiling, and add the soap. Continue the heat and stir until a homogeneous jelly is produced, then add enough hot water to make the contents of the capsule weigh two troy ounces and a half (1,200 grains), after which strain the mixture through cotton gauze. Lastly, pour in the quillaja tincture. This mixture when cool has the consistency of thick honey, possesses both viscosity and lubricity in a sufficient degree, and is free from any agent likely to be deleterious to the urethra or to the catheter. It may be preserved in an aseptic state in small collapsible tubes. The lubricant may be perfumed, or 1 per cent of pure carbolic acid may be added. Among the experiments tried was an addition to the mixture of 2 drachms of Chondrus crispus jelly (National Formulary). This slightly increased the lubricity, while it greatly increased the fluidity of the mixture. It is likely that the *Cetraria islandica* will yield similar results.

7. All web catheters are liable to harden and to be unfit for use in the course of a few years, especially when they have not been in daily use. On the first appearance of the hardening process the instruments should be cast aside.

8. Rubber catheters harden and are brittle in about two years, or even sooner, if unused and exposed to the air. But when daily lubricated with fatty substances they seldom last more than three or four weeks, then swell, lengthen, and undergo a process of softening which renders them liable to be torn across during withdrawal, so that often several inches of this deteriorated rubber remain in the bladder.

9. After using a web catheter it should be well washed by forcing a stream of water through the instrument, which should then be dipped for a minute into a 1 per cent carbolic-acid solution, thoroughly dried, wrapped in dry antiseptic gauze, and inclosed in a metal case. The drying process is begun by shaking off briskly the last drops of water from the interior of the catheter, which may then be exposed to 120° F. of heat in a dry sterilizer or in any other way that may be safe and convenient.

10. Web catheters, even "10-cent catheters," may be rendered aseptic also by boiling for ten or fifteen minutes, then drying thoroughly in a sterilizer, when they will be ready for use. During ebullition the catheters should not be coiled, but kept at full length and away from the bottom of the boiler. Dry sterilization may be accomplished as well just before using the catheter, but care should be taken to prevent the instrument from sticking to the metal.

11. Inasmuch as some time is necessarily consumed in the drying process, it is more convenient to a patient who is obliged to catheterize his bladder five or six times every twenty-four hours to be supplied with ten or twelve web catheters (No. 9 or 10 of the English scale), and to use two catheters each day, so that the same catheters may be used only once every five or six days. This plan has been pursued by a number of patients who have all fully appreciated its advantages. In one of these cases, the patient relieving himself eight times daily, the catheters so used were carefully examined seven months after and found unaltered and in the best condition, each instrument having been used about a hundred and forty times.

American web bougies are made of the same materials as those of catheters. They are, therefore, of the same grades—cheap commercial cotton, flax, and ramie.

A cotton olivary bougie made by the Lee Company happens to be the best for general use. It is solid, slender in the first 3 inches of its shaft, and consists of a number of layers braided one upon another and coated with the same varnishes as the catheters, but it is distinguished from other bougies by its vermilion color.

It has no ivory tip, is completely coated, and therefore easily rendered aseptic. The care of wrapping in gauze and inclosing in a metal tube is needed to preserve the instrument, which should be cast aside if it becomes fissured. It should be slightly warmed before introduction. No fats should be used as lubricants.

Whalebone bougies were used in France early in this century, and also in the United States. Dr. H. G. Jameson (Medical Recorder, 1827) spoke well of the utility of whalebone bougies of "the size of a small knitting needle" in the treatment of urethral strictures. Whalebone bougies are of two kinds—those with olivary point and elbowed, about one millimeter in diameter, to serve as conductors for larger instruments, and those for the dilatation of narrow strictures.

The second, also elbowed and olive pointed, are not over 1 millimeter in diameter for the first 3 inches, thence increasing gradually in diameter so that at 5 inches they are equal to Nos. 2, 3, 4, 5, 6, and 7, English scale, the set comprising six bougies, as indicated by these numbers. All whalebone bougies require to be thinly coated with carbolic vaseline and preserved in metal tubes; otherwise they become dry and brittle and are soon destroyed by parasites.

## The Tariff—The Dingley Bill.

### SPEECH

OF

HON. CHARLES H. GROSVENOR,  
OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 15, 1897.

The House having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States, and the question being upon agreeing to the report of the committee of conference upon the disagreeing votes of the two Houses—

Mr. GROSVENOR said:

Mr. SPEAKER: I shall not weary the House by a discussion of the details of this most important measure, but will confine myself to a general discussion of the necessity for this legislation and for the general features of the same. It is an oft-told tale, but can not be repeated too often, that the Democratic party came into power with a solvent Treasury and a satisfactory credit, and how,

In a very brief period, an enormous deficit made its appearance; two hundred and sixty-odd million dollars were borrowed upon the bonds of the Government, largely to pay the running expenses of the same.

In this connection, I want to turn aside and answer or explain a circumstance which occurred during the closing months of the Administration of President Harrison, which has been seized upon so often and distorted in a manner well calculated to deceive the people of the country. The discovery has been made recently of a supposed long-lost brother in the form of an order given by Mr. Secretary Foster, of the Treasury Department, to the Bureau of Engraving and Printing, in the winter of 1893, directing that a plate for the printing of a 3 per cent bond should be prepared by that Bureau; and thereupon a shout has been sent up that they have proved that the Republican Treasury was bankrupt and had to borrow money to carry on the Government.

The silliness of this whole business has been exploited and exploded so often that it is painful to have to return to it now. The facts are briefly these:

Mr. Carlisle, then a Senator, but shortly to become the Secretary of the Treasury, anxious for the solvency of the institution to which he was to be promoted, had a conversation with the Secretary of the Treasury, as that gentleman has more than once asserted, and Secretary Carlisle either said to Senator Sherman, or Senator Sherman so understood him, that he would like to have a provision by which he could borrow money or issue Treasury certificates therefor in case of the trouble which seemed to be close at hand.

The Democratic party had won in the election; they had won upon a platform denouncing the McKinley law, asserting their intention to repeal it, and the common judgment of mankind was that the fact would be to at once destroy public confidence and practically bankrupt the Treasury, and so Senator Sherman placed the provision authorizing the issue of a 3 per cent bond upon an appropriation bill. Bear in mind now that this was not any bond that had already been authorized, and when you look into the recent discovery hereafter of the Secretary of the Treasury, you find to your astonishment, after what the Democrats have been saying, that it was an order to prepare a plate for a bond which at that time was not authorized by any act of Congress and could not be issued except by special legislation for that purpose.

So we establish the fact that the order suggested and which was made by Mr. Secretary Foster was an order for a bond which was to be a different bond and to be hereafter authorized by law. It would seem that this was a statement so plain that everybody could understand it; but of course it will be disputed again and another discovery made some of these days. Mr. Carlisle changed his mind, unless Mr. Sherman misunderstood him in the beginning, and went to Mr. Sherman and advised him that he did not want that legislation, and inasmuch as he was to be the responsible head of the fiscal department of the Government, Mr. Sherman at once withdrew the amendment, or the amendment was withdrawn, as the case may have been, and thereupon there was no plate made. There was no necessity for it, because there was no law authorizing the issue of the particular bond that was described in the order of the Secretary. It was done, the whole proceeding had its inception and its execution, so far as the execution went, in the interest of aiding the incoming Secretary of the Treasury to meet the deficit which Democratic success in the election had absolutely assured.

Now, that is the whole of this wonderful discovery. No man can make any more out of it. The coming of that deficit made its appearance very shortly following the election of Grover Cleveland. There never was a deficit under Harrison's Administration, and, more than that, he paid off the Government bonded debt two hundred and fifty-odd million dollars. That is a plain, unmistakable fact, and weighs more than all the nonsense of this modern discovery.

The simple difference between the two Administrations in this regard was that the Harrison Administration reduced the public debt two hundred and fifty-odd million dollars and the Cleveland Administration increased the public debt, including the outstanding bonded obligations of the Government, nearly \$500,000,000. There was a difference in the financial performances of the two Administrations of about \$750,000,000. That is all there is of it; that is very plain language, and everybody can understand it.

Finding the Treasury in this condition, tariff legislation was imperative. The Republican party carried the country last year upon the pledge of a protective tariff. Our Democratic friends who supported Bryan admit or claim that the country was not carried upon the protective-tariff issue. Then they admit that the free-liver dogma of Bryan and his leaders was repudiated by the people of the country. If, upon the other hand, they recognize that which I assume to be within the knowledge of all intelligent men, that the country was carried in large part upon the issue of a protective-tariff system, then they admit the duty of the hour to be the passage of a protective-tariff law.

It is the duty of the Republican party to enact this legislation.

It is its duty because of the extreme necessity for the legislation, and it is its duty because it is a part of the platform of the party and was one of the pledges by which it gained power. It is the duty of the Republican party to enact tariff legislation because without it the industries of the country can not revive.

We are told now by the Democratic press, admitting that there are signs of coming improvement, that that improvement has been made under the Wilson law. That is true, but it has been made at a time when the death of the Wilson law has been demanded by the people of the country and the demand of the people is being carried into execution by the political party in power. So that from every standpoint our duty is to obey the demands of the people and pass tariff legislation. And here, Mr. Speaker, is the embodiment; here is the law. What is it? It does not propose radical or unreasonable enactment. It proposes to proceed along the line of Republican policy so often proclaimed and so universally approved, to wit, by taxes upon import articles the like of which we produce in this country, to the end that we may have revenue and protection. It proposes a duty on articles the like of which we do not produce in this country, and which are articles of luxury, used largely and principally by the rich, for the purpose of revenue, and not for protection. It proposes that articles of mere necessity used by the people of the country in general, and not produced in this country, shall be admitted free of duty.

These are the leading general suggestions of this law. It treats as coming within the scope of this great principle the products of this country of every description, whether they be such as have usually been denominated finished products or raw material. The Republican party knows no distinction between that article or commodity produced by the labor of man or by the expenditure of his capital, which some call raw material, and that product of man which is a finished product.

In other words, we take the ground that the product of the shepherd, the flock master, who produces the wool in a finished condition, has just the same right to be protected against the competition of the cheap labor of the wool producer of Australia as has the manufacturer of the finished product of the looms of our country to be protected against the competition of the Bradford and other English looms. This is the doctrine of protection to raw material. It is an original doctrine with the Republican party. It has been a cardinal doctrine of the Democratic party that no tariff should be levied upon what they are pleased to term "raw material." Hence the Democratic party is now and always has been uncompromising in its hostility to a tariff upon wool, iron, coal, and other articles which enter into our manufactures and which they call raw material.

It is true that in the act of 1894, the lamented Wilson law, a low duty was forced upon the Wilson law in the Senate upon coal and iron, but the great agricultural industry of wool was left absolutely without protection. So it may be settled as a fact in the politics of the country that there is no one principle, no one dogma, no one suggestion, in regard to the tariff legislation of the country more unqualified than the position of the Democratic party in favor of free raw material. It was the battle cry of a Presidential message; it was declared upon the stump and in the platform and principles of the party throughout the country in the last two Presidential campaigns. It has been just as much a part of the life of real Democracy in the United States to-day as is hostility to Republicanism in any of its phases of development.

This being the case, and we being so schooled and educated in that, the attitude of the Democratic party being so long established and oft repeated, it does sound strange to us to hear the clarion voice of one of the leaders of the Democracy on this floor advocating a duty on raw material. It does not sound like any of the utterances of our earlier and better days coming from the Democratic party, and those of us who have been fighting these battles for forty years, as I have, listen with intense wonder at the startling statements of the gentleman. Tax raw material, advocated by a Democrat, a duty on wool, iron, coal, cotton—is it possible? Have we had a Rip Van Winkle sleep while a new departure has been inaugurated by the Democrats and a new platform has been written? Can that be true? If so, who authorized the writing of a new departure? When and where was it that the lifelong declarations of the Democratic party were repudiated by competent authority and a new evangel sent for?

Well, Mr. Speaker, the difference between a Democrat who favors a duty on free raw material by protection and a Republican is just about the difference between tweedledum and tweedledee—that is to say, so far as the tariff question is concerned. I admit he may be a Populist; he may favor the free and unlimited coinage of silver; he may favor the overthrow of the authority of the President to protect the property and lives of citizens; he may be all that and be a Populist, but how he can be a Democrat and undertake to rewrite the Democratic platform is something that I am going to leave to the Democratic party to settle, and I invoke patience and perseverance and calmness of mind and judicial



temper to the able gentleman from Tennessee while he searches to learn whether or not in some moment of his inadvertence some authority has surreptitiously assaulted the platform of his party.

New platforms require new candidates, and inasmuch as Mr. Bryan is nothing upon this question unless he is in favor of free raw material, and having devoted almost a lifetime thus far to the propagation of the doctrine, it would seem to me that this new platform should have a new candidate. It would be unreasonable to Mr. Bryan to have to proclaim himself in favor of protection for free raw material from the rear end of a palace car and have the air around him filled with slips of paper containing his powerful appeals for free raw material and his denunciations of taxation for revenue purposes, if not of the free raw material that enters into the manufacturing industries of our country.

But, Mr. Speaker, there is a cheerful side to this question, and one which I contemplate with great joy. The falling of the scales from the eyes of the person who journeyed to Damascus was miraculous, for there was no outward, visible proof of the truth of the religion which he so hastily espoused; but the falling of the scales from the eyes of Democratic statesmen has nothing of the miraculous about it. It is easily accounted for and needs no explanation but to point to the condition of the country, and you will see that the election in the United States repudiated the doctrine of free raw material.

The coal miners of ten great States repudiated the doctrine. The workers in the shops and factories denounced the doctrine, and there are indications in the great State of Louisiana that even the devotion of the Pelicans to the doctrine of Democracy has been shaken, and from the Lone Star State there comes the sound of rushing and mighty winds that the flock masters of that magnificent State realize that there should be protection upon wool. The time is coming when it can contribute a product sufficient for the wants of the people of this country and export to foreign lands the output of their magnificent flocks, and so free raw material is a poor platform to build the future structure of political success upon even in the State of Texas.

During the pendency of this bill in the Senate, Mr. Speaker, protective duties were voted for by Democratic Representatives from California, from Louisiana, from Georgia, from South Carolina, and I may have omitted some of the States. So we find the citadel of Democracy, hitherto its strongest outpost, abandoned and blown up by its garrison.

Mr. Speaker, we are entering upon a new era. Pass this bill, as we will, and there is no human power that will repeal it for four years to come. What joy to the miner, the farmer, the laborer, in all the lines of production, the husbandman, with his market hitherto contracted by the stopping of the wheels of industry. What joy to the common masses of a great country is the fact that for four long years, no matter what may be the exigencies of politics, this tariff law can not be repealed or impaired. There ought to be a celebration of its birth in every industrial center of the United States. There ought to be a flag of liberty and freedom and independence hoisted upon every farm in the United States.

You talk about protection to the farmer, and we hear the voice of mortified disaffection declaring to us that there is nothing in this bill that protects the farmer. Does a man forget in this country so quickly, because he has betrayed his party, the teachings of the past? Does he so quickly forget to realize that every farmer in this country is benefited beyond description by any legislation that benefits the mechanic, the laborer, the producer in the shop, in the mine, and in the factory? Does he forget his old argument when he was in the line of truth and fairness? No protection to the farmer. No protection to anybody out of all the commodities which come into competition with the products of this country during the operation of the Wilson law. No protection in the high rate of duty that excludes the wheat product of Winnipeg.

No protection that they must compete in our markets after having paid a great price for the privilege. No protection upon the fruits and vegetables of the farmer, and no protection that they have to pay 11 and 12 cents on wool to compete with that produced by the farmer in this country. Oh, consistency!

But I was congratulating the country that this bill would stand; this law could not be repealed for four years. It will not have the brief existence of the McKinley law and be struck down. It can demonstrate to the people of the country its value. What, then, is the duty and privilege of the American people? It is to adjust all our business to the present condition of the Dingley law, adjust our production and manufacture to existing conditions during its permanency, at least to the extent which I have said—four years.

Four years of halcyon times; four years of prosperity; four years when labor shall be rewarded; four years when industry and energy shall be recognized; four years during which our 40,000,000 sheep may be duplicated to 80,000,000 sheep, and our wool product of 250,000,000 pounds reach 500,000,000 pounds, and the day in sight, four years from now, when every pound of wool

which the American consumer desires will be produced in our own country, and the money that largely goes abroad shall be paid out at home. Four years, in which time the great sugar industry shall have supplied the American people with a product that will cause the expenditure of \$125,000,000 at home, instead of sending it to the labor abroad; the occupation of vast tracts of land now occupied for cereals, to be used hereafter in part, and in large part, for sheep husbandry and sugar producing. Will the American people turn their backs upon this legislation now without a trial, and burden our country again with tariff legislation? Will they? Will the farmer and manufacturer enter into the conspiracy now being contrived in Ohio, Iowa, Massachusetts, New York, Virginia, and Kentucky, with a view to again open up the question of tariff legislation and the prostitution of the industries of the country?

The question is one of mighty importance, and its settlement will be looked to with the greatest possible interest by the people of the whole country. If Ohio turns its back upon its record and drifts again into Bourbon Democracy, and makes it possible to elect a Democratic Senator, it would be one great step toward the reopening of tariff agitation and the unsettling of the business of the whole country. The same is true of Iowa, of Massachusetts, of New York, of Virginia, and of Kentucky, so that the people of this country have their votes in their own hands, and if they desire that agitation shall cease and business shall proceed along legitimate lines under existing legislation it will be necessary for them to see to it that the fall elections shall indicate, not reaction, but approval of the record the Republican party has made in this Congress. It may be that this act is not all that some of the business interests of the country demanded and expected, but this act is vastly better than agitation. Permanence is more necessary than that every man's opinion should be adjusted to his satisfaction.

To reopen the tariff question now would endanger the industries of the country forever, and yet the result of every vote in every State will be seized upon, if unfriendly to the Republican party, by the friends of free trade as indicating another reaction, just as we had at the time of the McKinley law.

So, my countrymen, we may congratulate the country upon the wonderful achievements of the Fifty-fifth Congress. Called together in extraordinary session, it has made a complete revision of the tariff in less time than the like was ever done by any Congress hitherto, and its support and passage in the Senate of the United States has demonstrated the breaking up of party lines among our opponents and the forced recognition of the benefits of protection. Well may we rejoice, well may we appeal to the people of these voting States to stand by the party that in Congress has redeemed its greatest pledge by their votes in the elections, and not only not revoke what we have done, but give assurance to the people of the whole country that we are going forward upon a highway of prosperity to the achievements of commercial and financial and industrial results such as the country never experienced before.

### The Dingley Bill.

"It is not in a splendid government supported by monopolists and armies that they will find happiness or their liberties protected, but in a plain system, void of pomp, protecting all and granting favors to none, dispensing its blessings like the dews of heaven unseen, unfelt, save in the freedom and beauty they contribute to produce. It is such a government that the genius of the people require; such a one only under which our States may remain for ages to come united, prosperous, and free."

### SPEECH

OF

HON. CHARLES L. BARTLETT,

OF GEORGIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, March 29, 1897.

The House being in Committee of the Whole on the state of the Union, and having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. BARTLETT said:

Mr. CHAIRMAN: I regret exceedingly that when the general debate was in progress I was physically unable to discuss this bill. I can not undertake, of course, in the brief time allowed for debate upon this amendment to discuss this amendment as I should desire and intended to do; but, following the almost universal custom of this as well as former Houses, I shall not undertake to discuss this particular amendment, but some sections of the bill.

At the outset, Mr. Chairman, I desire to reply to a suggestion made by some of the members of the Ways and Means Committee in their remarks a few days ago, in which it was said that the agricultural interests of the South had not been as well provided for in this bill as those of other sections and would not be until the South had promised loyalty to the Republican doctrine of protection. In other words, that in order to have protection by tariff legislation upon the products of the South the South should embrace the Republican doctrine of protection.

Speaking for one locality and one State of the South, I desire to say to those gentlemen and to the Republican party that we have not at any time in the past been ready, nor are we yet ready, to be purchased and lured away from the Democratic principles of our fathers by the offer of any such miserable mess of pottage. [Applause on the Democratic side.] We have not arrived at that period in our history, and God forbid that we should ever arrive at that time, when we are ready to join the Republican party in its raid of robbery by taxation upon the balance of our country in order that we might perhaps get a small portion of the plunder. [Applause on the Democratic side.]

Mr. Chairman, the Democrats of the South have heard this Republican voice before urging them to accept and pledge loyalty to the Republican principles. We heard it during the years immediately succeeding the civil war, when we were invited to accept reconstruction, and were promised that if we did so we should have peace; but instead of peace we had a continuation of war—war revived after we thought the war had ended. The Republican administration of the various States made a "desert" and waste of our country, and they called it "peace."

When we remember the promises made to us then and how they were fulfilled, when we remember that Republican administration resulted in a contamination of our State government by carpet-baggers and scallawags, in the presence of bayonets at the polls, in the disfranchisement of our best citizens, and remember the long history of wrong and outrage perpetrated upon us, representing in part the Democracy of the South, I say to you gentlemen who have made such suggestions that the white people of the South are not to be purchased by any such offer to embrace the pernicious doctrine of Republicanism or Republican protection. [Applause on the Democratic side.]

Mr. Chairman, so far as I am concerned, representing in part one of the great cotton-producing States of the South, a State that produced last year one-seventh of the entire product of the United States, I desire to say that the producers of this great staple of the South do not desire or need any tariff protection from the Government to enable them to raise it and to compete successfully with the world. The people I represent are opposed to taxation by tariff on any article of consumption by the American people except for the purpose of raising revenue for the Government, and that tariff shall be justly and equally imposed. Except for the purpose of revenue to meet the expenses of the Government "economically administered," a tax by tariff should not be imposed at all. [Applause on the Democratic side.] Any increase of taxation under this bill, when the Treasury has one hundred and thirty millions surplus, can not be for revenue, but solely for protection.

When we examine this bill as it is sought to be passed, it will be found that its purpose is not to raise revenue so much as to provide protection for a few favored classes, and to enable them by means of such taxation to add to their already immense wealth by laying additional burdens upon the great masses of the American people, the producers of the wealth; not to aid the laborers who produce the articles of consumption, but to aid the already nourished corporations and manufacturers of the North and the East. In fact, I find that this bill contains "more tariff abominations" than any bill that has ever been introduced or considered since the foundation of the Government.

The Republican party, brought back into power by the election of November, 1896 (by this bill), ignoring all other interests except that of those who furnished the sinews of war in the last campaign, propose to restore prosperity to the country by "frying the fat" out of the masses of the people to restore to the manufacturers and trusts and corporations the "fat" they "fried out of them" before the election.

In December, 1896, on the eve of the Christmas holidays, when the gold reserve was daily being drained by a tax upon it from organized capital and the concerted money power in London and New York, the late President appealed to the Fifty-fourth Congress, then containing 150 Republican majority in the House, to relieve the Treasury, not for the purpose of paying the ordinary expenses of the Government, but to provide a means of stopping the drain upon the gold reserve, and in that way to restore confidence to the country. The Republican majority of the Ways and Means Committee, composed of the same gentlemen who reported this bill, on December 26, 1895, reported a bill to temporarily increase the revenue and to meet the expenses of the Government and to provide against a deficiency; and they proposed to do this

by increasing the tariff duties 15 per cent on all articles except upon wool, woolen goods, and lumber. In the report submitted by the majority of the committee it is stated that they had not undertaken a general revision of the tariff on protection lines, because they knew that "such tariff legislation would not stand any chance of becoming law, and also because a general tariff revision would require many months," and "the need is for more revenue at once."

The other effort of the Fifty-fourth Congress to relieve the Treasury was to authorize the issuance of bonds, so that the Republican party in the Fifty-fourth Congress sought to bring relief to the people and the Treasury first by increasing the tax and next by issuing bonds in times of peace.

The chairman of the Ways and Means Committee of the Fifty-fourth Congress, occupying the same position in the present Congress, in a report upon a bill prohibiting the further issuance of United States interest-bearing bonds, stated that "the House had sent to the Senate a bill providing for sufficient additional revenue to prevent a deficiency." And he further says that instead of concurring with the House in the passage of this bill, which would have effectually prevented any recurrence of the matters complained of, the Senate refused to do so.

The campaign of 1896 was fought out between the Republicans and their opponents mainly upon the issue whether this country would remain upon the single standard or whether it would adopt the free coinage of silver at the present ratio without waiting for the concurrence of other nations. The tariff and all other questions were sunk out of sight, apparently at least, by the Republicans, and the Fifty-fifth Congress assembled in special session at the instance of the President, and on the first day of its convening we are offered a bill which completely revises and increases the tariff duties, and which had never been submitted to a committee, except the Republican members of the Ways and Means Committee, and this it is proposed to pass under whip and spur, at the dictation of the bosses of the House and of the Republican party.

With the gold reserve down to less than \$50,000,000 in 1895 a general tariff revision could not be passed, because "it would require many months," in the language of the distinguished chairman, but with the gold reserve above \$100,000,000 and nearly \$134,000,000 additional in the Treasury it is demanded that we pass a general revision of the tariff, not in "many months," but in a few days. There is some consolation in the reflection that, however successfully the representatives of the people may be throttled by the despotic rule of the majority and its few bosses, that despotism will meet with rebuff in the Senate and that this bill will there have full investigation and careful consideration. It has been stated time and time again by gentlemen in this discussion that the deficiencies in revenue and the distress of the country were due to the Wilson bill in its failure to yield sufficient revenue.

The late Secretary of the Treasury in his report to the first session of the Fifty-fourth Congress stated the various amounts of revenue received since 1898 to and including June 30, 1895, and declared that there would be a surplus in the Treasury under the present law in 1898; and doubtless this would be so but for the prodigal expenditures provided for by the Republican majority of the Fifty-fourth Congress. Both he and the last President asserted distinctly that none of the gold reserve had been used for the purpose of paying the ordinary expenses of the Government.

I can not give my support to this bill, because I do not believe in the doctrine of protecting by the agency of the Government any business or any class by the imposition of tax that must be borne by the consumers of the country. I am not opposed to the levying of tariff upon imports sufficient to raise the revenues of the Government to carry it on and to pay the expenses when economically administered, but in imposing the duty it should be fairly and justly imposed, and not, as is contained in this bill, discriminating in favor of classes and sections.

I have no desire to learn any new lessons with reference to the Democratic doctrine on the subject of the tariff. I am content to still follow the doctrine as laid down and upheld by the founders of the party, and by that great apostle of Democracy, Andrew Jackson. In his first message to Congress he said:

With regard to a proper selection of the subjects of impost with a view to revenue, it would seem to me that the spirit of equity, caution, and compromise in which the Constitution was formed requires that the great interests of agriculture, commerce, and manufactures should be equally favored, and that perhaps the only exception to this rule should consist in the peculiar encouragement of any products of either of them that may be found essential to our national independence.

I fully repudiate the doctrine of the Republican party that because it sees fit in the interest of the sections of the country that supported it and its candidates they will lay tax upon the people, nor am I to be converted to this doctrine, nor acquiesce in it, in order that my section shall share in the robbery. But this bill goes beyond the demands even of the protected manufacturer.

On January 27, 1897, in Philadelphia, at a meeting of the National



Association of Manufacturers, when it was known that the Republican majority of the Ways and Means Committee were in daily conclave preparing a tariff bill, a committee was appointed to draft resolutions and they presented the following report on the subject:

*Resolved*, That the tariff duties should be made as low as possible consistent with adequate protection for our agricultural and manufacturing industries and the labor they employ.

The president of that association, on February 1, in his annual report, declared that "these resolutions correctly voice the sentiment of the association and of the country at large." It is to protect the farmer, who has always been the subject of the tender consideration of the Republican party, if we are to believe the statements of gentlemen who have spoken, that this bill was framed.

The four staple farm products produced by this country are cotton, wheat, corn, and oats. There is no effort to protect this great industry of the people in this bill by putting a tax upon the importation of foreign cotton. It is grown in a section of the country that does not commend itself by its vote as entitled to the protectingegis of the framers of this bill. Representing in part the section of the country that produces this great staple article, I desire to say that we do not wish that the Government shall pretend to protect us in this industry by a tax which would not increase the price, but would tend more to put us further into the power and hands of Eastern and foreign speculators.

We are willing and anxious to compete with the world in its production of this staple, and all we ask of the Government of the United States is to return to the coinage of the money of the Constitution and enlarge the currency medium to our people and stop the falling prices that have been in progress for twenty-odd years. Give us an opportunity to pay off our debt by the sale of our products in the open markets of the world at reasonable prices, and we do not need any protection. The pretext that the farmer of the West is protected by the import tax on wheat, corn, and oats is too thin to deceive the most credulous. The tariff, when levied on these articles for a year, will not exceed \$340,000, while we have exported in the seven months ending January, 1897, \$127,000,000 worth of the same goods. For the twelve months ending January, 1897, the cotton imports were 55,000,000 pounds, while in the same time the exports amounted to nearly 3,000,000,000 pounds.

The injustice of this tariff, so far as the interest of the farmer is concerned, is seen in the tax which it places on cotton ties which the farmers of the South use, while the binding twine of the Western farmer is to be admitted free. The Western farmer, for his support of the Republican party, gets free binding twine, while hoop and band iron for baling cotton or any other commodity shall pay one-tenth cent per pound more duty than is imposed on the hoop or band iron or steel from which they are made. Such is the theory and practice of Republican protection, which robs one section in order to benefit another.

The farmers of the South remember the enormous increase in the price of cotton ties last fall, which the "cotton-tie trust" forced. In order to escape the grasp and impositions of this monopoly, the farmers resorted to the use of a small wire for baling cotton. Yet these generous nonpartisan gentlemen who framed this bill have taxed all wire or hoop iron made or used for the purpose of baling cotton. Not only that, but every piece of hoop iron or wire used for baling cotton is taxed one-tenth of a cent a pound extra. Yet you tell us that if we will embrace your doctrines, you will take care of us. The voice may be the voice of Jacob, but it is still the Republican hand of Esau.

The solicitude for the interest of the farmer is manifested in the high tax which will be levied upon everything he wears or uses in the cultivation of his products. Agricultural and farming implements were admitted free of duty in the Wilson bill, and if we are to take the testimony of one of the largest manufacturers of farming implements in the State of Pennsylvania, they do not need protection.

On page 2084 of the Tariff Hearings before the present Committee on Ways and Means, while they were considering this bill, I find the following:

AGAINST A CHANGE—A. B. FARQUHAR, OF YORK, PA., WANTS THE COUNTRY LEFT IN ITS PRESENT CONDITION OF PROSPERITY.

YORK, PA., January 1, 1897.

Committee on Ways and Means:

You have naturally, in your public hearings of testimony and recommendations and pleas for amendments to the revenue laws, had far more to do with those desirous of increased duties than with those in opposition. The interest of people in quest of favors is always more intense, as well as more definite, than that of people who have simply to protest against granting favors to others at their expense. Though the former may be few and the latter 70,000,000, yet your committee may easily hear much from the small number and nothing from the great.

Easy as it is for all concerned only as individuals of the 70,000,000 to be silent, thinking that where no peculiar interest exists no peculiar exertion is called for, yet the easy course is sometimes the wrong course. Personally I have nothing to ask of your committee except that you will refrain from putting obstacles in the way of my business and from strengthening the arms that

are aiming a blow at my interests; otherwise my cause is merely identical with that of the great mass of your fellow citizens. What is best for them is best for me, and might be asked as well in their name as in my own.

The great practical problem before us, as before all nations and peoples, is how to apply the force and opportunity at our command so as to derive from them the greatest net result in comforts and conveniences of life. That application of human labor, direct or indirect, which brings the largest total result in these comforts and conveniences is the one that best serves the body politic, and thereby raises to the highest point the demand for labor, and hence the reward of the laborer. Since the best paid labor is therefore the kind that produces most, it may easily follow that such labor is of exceptionally low cost in proportion to product.

We know that this is true in some instances. The wheat of our Western States must necessarily be produced at a lower labor cost than that of Egypt or India, because it sells freely in the same British market, to which the cost of transporting it is higher. And yet our lower cost is made up of payments at the rate of \$1 a day, while their higher cost is paid at a rate not far from 10 cents a day. This is possible partly because the Western laborer furnishes labor of higher quality than can the ryot or fellah; partly because it is more ably directed by improved machinery and better methods. A similar state of facts exists in all production that meets foreign competition on equal terms. No labor in the country receives better pay than that employed on exportable goods in direct competition with foreign labor, wages running high, though the price of the product is low, and proving really cheaper because directed by higher brain power.

Some years ago I visited a large agricultural-implement factory in England, at the invitation of its owner, a member of Parliament. I found plow handles and beams produced in that factory at a labor cost of more than \$1, while similar work cost us but 10 cents at our factory in York, owing to our superior machinery and methods; so that our cheaper labor (at considerably higher wages) fully made up for the disadvantage at which we were put by greater cost of raw material. I then and there told the proprietor that the trade would all come to us unless he improved his methods—and, to make a long story short, it has all come to us. Our works manufacture practically all of that description of plow now sold—perhaps 20,000 a year.

Now, see what must necessarily be true if our plows sell in South Africa, my side by side with those of English make, as I have shown they easily do; if our transportation charge is higher, as it must be where we have to ship by way of England; if our raw materials, lumber excepted, are more costly, as any inspection of comparative prices will instantly prove; then our firm must either be drawing no profit whatever or be at less expense for labor. No other conclusion is possible, unless some way can be found for making larger subtractions from the same sum, and not leaving smaller remainders.

Since our business affords enough profit to justify continuance in it, and the profits of our English rivals are not inordinate, the only possible conclusion is that there is less labor cost in our plows than in theirs. This fact of cheaper labor, which is demonstrated by actual observation in my business, supported by similar observation in many other businesses enjoying like advantage of more efficient machinery and superintendence, must necessarily apply to all labor employed on exportable products.

Work on merchandise for export, as I have already said, is especially highly paid, by the day, and it is exactly this high-paid labor that is really the cheapest labor. What is called "pauper" labor—the kind that is ill compensated—is practically a very dear kind. Every sagacious manufacturer having a piece of work which brings him particularly low profit, on which economy in every kind of cost is particularly necessary, puts his best-paid workmen on just that piece; if he dreams of sparing labor cost by doing otherwise, he simply converts his margin of profit into a net loss.

The fact that we are exporting steel rails to Canada, Japan, and elsewhere in the face of English competition, and iron to England itself—something we never could do until the approaching exhaustion of England's iron supply put us less at a disadvantage for raw material—and the further fact that never in its history has the country made anything like so large an export of manufactured goods and machinery as during the last year, aided by the cheaper raw material allowed us in the Wilson bill, show what we could do with raw material free; show, indeed, that very many if not even the majority of manufacturers would have no use for protection if we could go to work on that basis.

Again and again I have declared, distinctly and publicly, that I desired no import duty on agricultural implements. The duty was swept away in the Wilson Act with my cordial approval. The harm that such duties do to producers who can export is that they suggest and encourage retaliatory duties in the countries that buy of us. The only possible good they could do is to enable manufacturers by combination to extort higher prices from their fellow-countrymen than from foreign customers.

It is with just that motive that many a man asks Government assistance in charging more for his goods than he sells them for in Europe or beyond the Tropics. It is just that motive that you cherish and hold up as worthy of praise when you allow drawbacks of duty on goods exported. By that piece of legislation you declare, as plainly as words can put it, that foreign customers are the ones you select for favor, while home customers are entitled only to be fleeced.

You wish to aid the American workman. So do I. But when I observe, as I do, that he never before received so large a proportion of earnings as he has under recent legislation, and that all possible increase in exported manufactures constitutes additional demand for his labor, I conclude that what he wants is a larger export business. There can not be an increase of importations, demand for money on both sides continuing unchanged, without creating a demand for exported products of agricultural and mechanical labor, as is plainly proved by all the statistics of trade.

If absolute free trade were decreed to-day, American needs and desires could only be met by use of the product of American workmen, as they have been met in the past. If those workmen should be employed a little less in making things that go directly to the consumer and a little more in making things that go abroad to be exchanged for the things the consumer wants, his labor would be none the less demanded, while its application to something it can produce to better economical advantage would insure its being better rather than worse paid after business had adjusted itself to the new conditions.

If I did not believe that I could carry on my manufacturing for what the public would pay freely, without Government interference to force fictitious profits, I ought to close up and go at something fitted to my size. I am ready to say the like for my brother manufacturers. If they are not lost to all sense of shame, they must blush to come whining before Congressional committees for a chance to extort extra profits, like a cur for a bone, especially when with this is associated the hypocrisy of pretending that what they seek thus to draw into their own pockets is all taken in trust for the sole benefit of the poor workman, even if we disbelieve all rumors and disregard all suspicions of campaign contributions and other forms of more or less disguised bribery. And then to think that this craven fear of foreign competition, this cringing dependence on the work of the lobby and on legislative Congresses, is so unnecessary!

But for this huge confidence game, for this blighting curse on our industrial independence, the country could step forward at once and become the

great source of the world's supply. The predominance in the iron business, in spite of our carefully calculated and persistent efforts to leave it in British hands by oppressing our export trade, has at last come to us. The mines of Britain will not long repay working, while ours are practically inexhaustible.

The chief object I have in addressing you is to make the most earnest possible protest against the calling of an extra session in the spring. I hear that this proposed extra session for the purpose of pulling our revenue laws to pieces is usually advocated as necessary, not because some favorites of Government, large campaign contributors perhaps, need to have their profits enhanced at the public expense, but because, forsooth, the country needs more revenue.

The country would not need more revenue if it would judiciously spend what it has. If its lawgivers and law administrators would cut down the list of pensioners to those who have an honest claim, and thereby make that list a true roll of honor, if they would frown on public building and river and harbor demands, if they would abstain from waste of public money in useless military defenses and naval armaments, the revenue now provided would more than suffice them.

But, entirely apart from these considerations, the association of increased revenues with such an overhauling of the tariff as you are asked to make and are supposed to contemplate is a sham and a swindle, and you know it. You have no certainty—in fact, no good reason—for believing that an increase of protective duties will bring more revenue. The country's income diminished greatly under the McKinley Act, and was actually considerably less during the last year that act was in operation than it has been since duties were reduced.

You are perfectly certain, on the other hand, that revenues would be considerably increased by a slightly higher internal tax on beer and tobacco, with moderate duties on tea and coffee. In fact, a higher rate on beer alone, one of which the consumer would be insensible, would quite counterbalance the deficit in the Treasury. If you sincerely wanted more revenue, you would recommend such a measure as this at once, and your recommendation could be made into law in a week.

This extra session is evidently desired for a very different purpose than to increase the public revenues. It is desired because those who are moving for it would rather increase the cost of the workingman's clothing than that of his beer. It is desired because they would rather tax the lumber that goes to build his house than the luxuries he would be better off without.

It is superfluous to remind you that the talk of an extra session is unsettling business—is locking up capital that would go at once into productive enterprise if assured of the continuance of present conditions, is depriving labor of employment by repressing enterprise, is only welcome to those who in one way or another prey upon the public—because you know it and you see it. You know it by your reason; you see it in the backset which reviving business, after the forward start that followed the national election, has so disastrously met. Leave the tariff alone; let business be undisturbed and enterprise assured of some degree of permanence; give us security instead of a legislative earthquake, and you will be surprised to see the prosperity that will follow your patriotic abstinence.

A. B. FARQUHAR,

President of the A. B. Farquhar Company.

The farmers themselves have protested against an increase of tariff rates and have sent to the Committee on Ways and Means resolutions in which they declare that an increase of tariff will not aid the farmer, and these resolutions came from the farmers of the great protected State of Pennsylvania. At a meeting of the State Grange of that State, held on December 8 and 11, 1896, the following resolution, among others, was adopted:

That we can not deceive ourselves with the idea that any measure of protection to our industries offered by a tariff on imports can avail in the slightest degree to benefit the grower of those crops of which he produces a surplus for export and whose price is necessarily made in the world's market where they are and must continue to be disposed of.

If we are to take the voice of the honest manufacturers as stated in the evidence of Mr. Farquhar, as well as that of the farmer as in the resolution quoted, we must conclude that this bill is prompted not for the purpose of protecting alike the interests of the farmer, the laborer, and the manufacturer, but for the purpose of aiding certain manufacturers and certain interests that they may still grow rich and powerful through the means of Republican laws and protection. The doctrines of such Republicans as James G. Blaine and James A. Garfield are forgotten and abandoned by those who would carry out the outrages embraced in this bill. This bill taxes every article of consumption, breadstuffs, salt and lumber, and all the necessities of life, and it will do well to call attention to what the Hon. James G. Blaine said upon these subjects, on June 10, 1868:

In the first place, let me say that during the war, when we were seeking everything on the earth out of which taxation could be wrung, it never entered into the conception of Congress to tax breadstuffs—never during the most pressing exigencies of the terrible contest in which we were engaged. Neither breadstuffs or lumber ever became the subject of one penny of taxation. It was not because of the influence of the rich grain dealers of Chicago or Toledo or Milwaukee. It was because if anything is universal, breadstuffs are universal, for they constitute literally the staff of life.

If you impose upon them a tax ever so small in amount, it will be made a pretext by the very speculators of whom gentlemen talk for adding an appreciable amount to the cost of a barrel of flour. Now, as to the article of lumber, I again remind this House that there never has been a tax on this article. The gentleman from Ohio may talk of this question as he pleases; but I say that whenever the Western frontiersman undertakes to make for himself a home, to till the soil, to carry on the business of life, he needs lumber for his cabin, he needs lumber for his fences, he needs lumber for his wagon or carts, he needs lumber for his plow; he needs lumber for almost every purpose in his daily life.

During this debate this side has been taunted with the term "free traders." On this subject I desire to call attention to what James A. Garfield said in reference to the tariff on April 1, 1870:

We have seen that one extreme school of economists would place the price of all manufactured articles in the hands of foreign producers by rendering it impossible for our manufacturers to compete with them, while the other extreme school, by making it impossible for the foreigner to sell his competing wares in our market, would give the people no immediate check upon the prices our manufacturers might fix for their products. I disagree with both extremes.

I hold that properly adjusted competition between home and foreign producers is the best gauge by which to regulate industrial trade. Duties should be so high that any man can fairly compete with the foreign product, but not so high as to enable him to drive out the foreign article, enjoy a monopoly of trade, and regulate the prices as he pleases. This is my doctrine of protection.

If Congress pursues this policy steadily, we shall year by year approach more nearly to the basis of free trade, because we shall be more nearly able to compete with other nations on equal terms. I am for protection which leads to ultimate free trade, which can only be achieved through a reasonable protection.

Mr. Chairman, examining the true course for the possibilities of the situation, I believe the true course for the friends of protection to pursue is to reduce the rates on imports wherever we can justly and safely do so and, accepting neither of the extreme doctrines urged on this floor, endeavor to establish a stable policy that will commend itself to all patriotic and thoughtful people.

Modern scholarship is on the side of free trade.

#### TRUSTS.

A protective tariff like this one is but a hotbed that breeds trusts, combinations, and monopolies. Monopolies have always been obnoxious and objected to by the English and American people. It raises prices and persecutes those who refuse to come into the combination, crushes competition, restricts production, and forces bargains with railroads and tampers with legislative bodies and renders fair competition impossible. Already trusts almost beyond number have been organized to control all the necessities of life, and recent disclosures show that they are the most cruel, harsh, and detestable of monopolies receiving encouragement under this bill, and unless the people awaken to the dangers threatened the trusts will bring blight upon the nation.

Our English ancestors had the same struggle to undergo; the same battles were fought between the people and the monopolies granted by the Crown on the necessities of life; struggles which the English people successfully waged when Elizabeth, and again when Charles I. ruled. Elizabeth's reign was in danger of a shameful and disgraceful end and it cost Charles his head. It was in England that the first battle for civil liberty had been made. Macanlay thus describes it:

It was in the Parliament of 1601 that the opposition which had, during forty years, been silently gathering and husbanding strength, fought its first great battle and won its first victory. The ground was well chosen. The English sovereigns had always been intrusted with the supreme direction of commercial policies. It was their undoubted prerogative to regulate coins, weights, and measures, and to appoint fairs, markets, and ports. The line which bounded their authority over trade had, as usual, been but loosely drawn. They therefore, as usual, encroached on the province which rightfully belonged to the legislature.

The encroachment was, as usual, patiently borne till it became serious. But at length the Queen took upon herself to grant patents and monopolies by scores. There was scarcely a family in the realm that did not feel itself aggrieved by the oppression and extortion which the abuse naturally caused. Iron, oil, vinegar, coal, lead, starch, yarn, leather, glass, could be bought only at exorbitant prices. The House of Commons met in angry and determined mood. It was in vain that a courtly minority blamed the speaker for suffering the acts of the Queen's highness to be called in question. The language of the discontented party was high and menacing, and was echoed by the voice of the whole nation. The coach of the chief minister of the Crown was surrounded by an indignant populace, who cursed monopolies and exclaimed that the prerogative should not be allowed to touch the old liberties of England.

Macanlay proceeded to say that—

The Queen's reign was in danger of a shameful and disgraceful end, but that she, with admirable judgment, declined the contest and redressed the grievance, and in touching language thanked the Commons for their care of the common weal.

In the Long Parliament Sir John Culpepper thus spoke of these monopolies and oppressors of the people:

They are a nest of wasps—a swarm or vermin which have overcrept the land. Like the frogs of Egypt, they have gotten possession of our dwellings, and we have scarce a room free from them. They sup in our cup; they dip in our dish; they sit by our fire. We find them in the dye vat, washbowl, and powdering tub. They share with the butler in his box. They will not bait us a pin. We may not buy our clothes without their brokerage. These are the leeches that have sucked the commonwealth so hard that it is almost hectical. Mr. Spenker, I have echoed to you the cries of the Kingdom. I will tell you their hopes. They look to heaven for a blessing on this Parliament.

So were the American people induced to believe that Republican success in 1896 meant a blessing to the people in the return of prosperity, and now when they look for prosperity at the hands of this Congress, they receive this iniquitous tariff bill, framed not in the interest of the people but of the few who furnished the Republican party with the means to buy the Republican victory of 1896.

In the contest in England the monopolies went down before the people. That contest is to be repeated in America, and in the battle, as has always been the case, the Republican party allies itself on the side of monopoly and trusts; the Democratic party stands in the fight for the rights of the people. The trusts may overcome competition, they may overcome legislative bodies and the courts, but there yet remains an antagonist much more formidable than all others. They will go down in the struggle against the instinct, self-reliance, and fertile intellect of a race of men who for more than five hundred years have come to no compromise with monopoly.

It has been truly said that the most of the great English struggles for constitutional liberty have grown out of unjust exactions of money from the people. The mutterings of discontent started



to grow not from the rich but from among the yeomen—the mechanics and the laboring men. The same causes were at work in England then that are at work here now. The storm is brewing, and when it rises it will sweep the trusts and its allies, the Republican party, out of its pathway. The same conditions which existed in the day of Jackson, which sustained him in his overthrow of the old United States Bank, can be relied upon to deal with these modern trusts.

The American people will make no compromise with the monopoly or trust. Trusts can spring into power and high position, and they may, like the Standard Oil Company, accumulate millions of money and destroy hundreds of competitors, and defy the press, or the legislature, or Congress; they may endeavor to buy their right to feed upon the people by campaign contributions to the Republican party, which sooner or later, and in the near future, if the laws of the country can be enforced, will feel the hand of the people laid upon them; and when that time comes, it will come with a power that can not be withstood. The trusts must yield, and the party which supports them will be destroyed by the people, together with the trusts. In fact, the effort made in this bill by the Republican party is to tax the people for the benefit of a few and thus create a powerful monopoly and an aristocracy.

I call attention to what the great Republican, Justice Miller, said with reference to this part of the discussion (20 Wallace, 604):

To lay with one hand the power of the government on the property of the citizen and with the other to bestow it upon favored individuals to aid private enterprise, to build up private fortunes, is none the less robbery because it is done under the forms of law and called taxation.

This is not legislation. It is a decree under legislative forms. If it be said that a benefit results to a local public by assisting manufacturers, the same may be said of any other business or pursuit which employs capital or labor; the merchant, mechanic, banker, and the builder are as equally deserving of aid from the citizens by thus contributing. No lines can be drawn in favor of the manufacturer which would not open the coffers of the public treasury to the importunities of two-thirds of the business men of the country.

It will be well to remind this House and the country of what was said by President Andrew Jackson in his protest to the resolution of the Senate censuring him, and that is:

It is not in a splendid government supported by monopolies and armies that they will find happiness or their liberties protected, but in a plain system, void of pomp, protecting all and granting favors to none, dispensing its blessings like the dews of heaven, unseen, unfelt, save in the freshness and beauty they contribute to produce. It is such a government that the genius of the people require; such a one only under which our States may remain for ages to come united, prosperous, and free.

Gentlemen on the other side have frequently asserted that all the financial distress and evils that have lately befallen the country were due to the operation of the Wilson-Gorman bill. We are told that more failures have occurred than under any other bill. The gentleman from Illinois [Mr. HOPKINS] the other day undertook especially to detail the loss in the railroad property, of the number of railroads that have gone into the hands of receivers, and to charge them up as losses that have occurred as a result of the Wilson bill. Upon an examination of the facts as contained in the statistics of railways in the United States, published by the Interstate Commerce Commission, it will be found that during the period in which the McKinley bill was in force there went into the hands of receivers 83,478 miles of railroads, and during the time of the Wilson bill and up to June 30, 1895, 2,932 miles.

The great trunk lines of railroads that failed and went into the hands of receivers failed while the McKinley bill was on the statute books.

The history of the other industries than railroads shows that the greatest number of failures occurred and far the largest amounts of liabilities during the years in which the McKinley bill was in force. So that the statistics do not support the assertion of the gentleman that the failures and business depressions that have befallen the country in the last few years were greater under the Wilson-Gorman bill than under the McKinley bill.

When the truth of history is written, it will be found that it is not the tariff, either a high tariff or a low tariff, that has produced the distress which the people have suffered; but the evil, the disease, is something other than the tariff. It is the failure of the Government to provide for a sufficient amount of primary money for the use of the people, and no legislation which imposes tariff taxation by increasing or reducing the rates will cure the trouble. It will not be cured eventually, nor will prosperity be restored, until the demands of the people and of the business of the country for enough primary money to do the business of the country upon shall have been heeded and complied with. An increase of tariff rates may open a few mills, but until the mints are opened to the free coinage of silver and gold alike, prosperity will not come to us.

When we shall return to the doctrines of the founders of this Government; when we shall "economically administer" the Government; when the lawmaking power shall remember that the agricultural interest of our country is essentially connected with every other and is superior in importance to them all; that as the

business of manufacture and commerce tend to increase the value of agricultural products and to extend their application to the wants and comforts of society, they deserve the fostering care of the Government; when all classes and all sections of this country shall be alike regarded when laws are passed that affect all alike, that lay the burdens of government equally, and grant special privileges to none; when the farmer and the producer shall have a sufficient and just return for their products and their labor, then we may expect a return of prosperity, and not before; then we may say to the world:

Survey our empire, and behold our home!  
These are our realms, no limit to their sway,—  
Our flag the scepter all who meet obey.

[Applause on the Democratic side.]

## Tariff and Currency.

### SPEECH

OF

HON. JOHN F. LACEY,

OF IOWA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 24, 1897.

On House joint resolution No. 81, authorizing the appointment of a monetary commission and providing for its expenses.

Mr. LACEY said:

Mr. SPEAKER: The election of 1896 removed from the sky one great cloud which hung over the industries of this country. The threat of a sweeping and radical change in the long-prevailing standard of value passed by, and the acute stage of financial distress was over.

Business since then has slowly but steadily improved, but there could be no settled and permanent revival until the completion of the proposed remodeling and readjusting of the tariff along American lines, with the elimination of the frauds of the Wilson ad valorem system, and the establishment of specific duties which could be easily understood and which could not be evaded, and so adjusted as to avoid a deficit.

Much of the delay in the Senate was unavoidable, constituted as that body is, with no method of bringing on a vote until mental and physical exhaustion has rendered further debate impossible. And when we further realize that the Republican party has no majority in that Chamber, we must look with admiration on the skill with which Senators ALLISON and ALDRICH have piloted the bill through so dangerous a sea.

The delay, though, has given time for the accumulation of vast stocks of foreign goods, and the importers have profited by the dilatory tactics used in the debates. A single speech on the tariff, which would have been dear at \$2.50, cost the Government more than \$100,000 by holding back the bill until additional cargoes of goods should reach our ports.

Gentlemen who thus delayed this necessary and inevitable bill will be called on by the people to show whether their speeches were worth a hundred thousand dollars apiece. The loss to the revenues was not the greatest injury caused by this delay. The wheels of industry were waiting for the basis of resumption to be adjusted, and now the accumulated stocks of foreign goods must be in a measure reduced before the full benefits of the new law will be enjoyed.

But the better times are coming, and our opponents will soon be compelled to remodel all their campaign oratory.

Mr. Bryan has set the pace with his post-campaign declarations that general prosperity is not here, and can not come until the free coinage of silver at the sacred ratio of 16 to 1 has been commenced. His example has been followed in Congress, and his supporters have stoutly maintained that nothing but adversity can exist until we adopt the Mexican and Asiatic standard of values. All their speeches will rise up to meet them in the campaign of 1897, and the whole question will disappear by the year 1900.

In 1892 these same gentlemen said on every stump in America that the McKinley bill was an "atrocious" because it attempted to build up the "impossible tin-plate industry." They insisted that there was not a tin-plate factory in America. To answer this claim I visited tin-plate factories in person; but our opponents asserted on the stump that these mills were merely imaginary. But in 1894 the same men reduced the duty on tin plate in the Wilson bill on the ground that the "protection was no longer needed, as our tin-plate industry was fully established." Mr. Wilson called it a "bogus industry," but they all conceded that it was in active operation.

As business revives and prosperity returns we may watch these

versatile gentlemen with profound interest. When they can no longer console themselves with the existence of distress, and can no longer safely deny the return of prosperity, what will be the keynote then to be sounded?

Mr. Bryan has already begun to hedge. In his recent trip to the West, when he spoke in a town where business was so evidently looking up that denial was in vain, he called attention to the evidences of revival, but assured his hearers that it was "local;" that other places were different.

The next two years will be spent by them in explaining how good times shall have come without the silver cure, and I venture at random the prediction that Republican laws and methods will be denied all credit, and the whole blessed change will be credited to another old-time Republican act—the purchase of Alaska.

If times continue hard, they will say it is because of Republican ascendancy. If they become good, the Yukon will receive all the praise.

Of one thing we may rest assured, the American people can not again be deceived on this question. They will recognize good times when they see them, and the voice of the croaker will be the most distasteful of all sounds.

We have all shared in the hard times, whether we were to blame for their occurrence or not. The better times that are coming will be enjoyed by those who have opposed the passage of the necessary laws to bring them about. Politicians may cavil and partisanship may rage, but the great American people are ready to say with honest Sancho Panza, "God bless the giver, and don't look the gift horse in the mouth."

The legislation of the extra session of the Fifty-fifth Congress is now on the statute books. The people of America will give it a fair trial. It will now speak for itself.

#### Tariff, Money, and History of Financial Legislation in the United States.

#### SPEECH

OF

HON. J. W. BABCOCK,

OF WISCONSIN,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

The House having under consideration the conference report on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. BABCOCK said:

Mr. SPEAKER: Something over a year ago I ventured the prediction in this place that free coinage, except by international agreement, when properly understood by the people, would be unable to maintain itself in a fair contest of American intelligence at the polls, and I furthermore ventured to predict that the advocates of this interest could not bar the Fifty-fifth Congress from enacting such wise protective-tariff laws as would furnish ample revenue for the needs of the Government and protection to all the great agricultural, laboring, and industrial interests. Both of these predictions have been realized, and I am now here to add to my forecast of events the further predictions that the era of prosperity, so long delayed by the result of four years of maladministration by the Democratic party in all branches of the Government, will soon be upon us in all its fullness, and will be felt in every home and hamlet of the United States.

None but those selfishly or constitutionally organized to find fault and to obscure the clear vision of the American people as to the future can deny that the pulse strokes of a healthy revival of confidence and business energy have already manifested themselves, and that the vigorous constitution of the country is rapidly shaking off the effects of the past four years of free trade, free-coinage agitation, and bond sales, which fastened a new taxation of \$362,330,692 upon the workingmen and business interests of the country.

#### AN ERA OF CHEAP THINGS.

It has been a typical era of "cheap things," putting the farmer and the laborer, the mechanic and the small business man, in the condition of being hardly able to provide the comforts, often the necessities, of life with the cheapened proceeds of their industry. We have learned the bitter lesson, I think, that cheap goods mean cheap labor. We have tried four years of Democratic tariff policy, and it has nearly put our workingmen on a par with the pauper labor of Europe.

Under Republican tariff laws, during the period from the 1st of September, 1865, up to the time President Cleveland was inaugurated in 1893—twenty-seven and one-half years—the Government debt and obligations were reduced \$1,881,367,873, or an

average of \$68,632,000 per year. The per capita debt in 1865 was \$78. In 1893 it had been reduced to \$12.55. This is certainly a fair showing, for it covers the whole period from the close of the war until the Democrats secured full control of all branches of the Government. Notice the great difference between the financial policies of the two parties. Since the 1st of March, 1893, until the 1st of March, 1896—a period of three years—the interest-bearing debt increased over \$262,000,000, or an average of more than \$87,000,000 per year, against a decrease of nearly \$69,000,000 per year under a Republican Administration for the previous twenty-seven years.

#### THE EFFECT OF DEMOCRATIC LEGISLATION.

The proceeds of these bond transactions were used to pay the running expenses of the Government; to cover deficits which the famous Wilson bill had created. Not all the Democratic leaders were so frank as Representative DOCKERY, of the Appropriations Committee of the House, when he admitted, in a speech April 29, 1896, that—

During the last fiscal year the current income was inadequate to meet current liabilities by \$42,895,223.18, and it is now estimated that the deficiency in current revenues for the present fiscal year will not be less than \$23,000,000.

Such has been the admitted effect of Democratic legislation as exposed by its own friends, while the prostrate condition of labor-emplying industries throughout the United States has been a sad reminder of the truthfulness of their admissions.

Its enemies, Mr. Speaker, will attempt again to blind the vision of the people to the blessings of the bill which the Fifty-fifth Congress has enacted into law; but Republicans everywhere may be proud of the first substantial step in four years to disperse the black vapors of misery and to bring back the era of universal industry and prosperity which has marked Republican administrations almost unbrokenly for thirty years. This bill has commanded the full strength of the Republican representation in Congress, and 33 votes from the South were cast for it at different stages of its career. For the first time in the history of Republican tariff legislation Democrats have broken away from their party creed to vote for protection, convinced that thereby only can they hope to restore living wages, fair returns for capital and industry, and better times for the farming class.

#### THE BLESSINGS OF TARIFF LAWS.

The bill may not be a perfect measure; perfection can not be achieved at one stroke; but it was designed to fit the conditions that exist to-day, and is a great stride in the direction of a tangible and substantial betterment of the condition of all classes of producers. If left to work out its own salvation it will soon increase the revenues of the Government, so that no more bonds will have to be issued to pay our current expenses, while at the same time it will reopen industrial channels long closed to honest toil and put our workingmen back on the pay rolls of the shops and factories that were closed by the Wilson bill.

In my opinion, Mr. Speaker, we must look for our greatest blessings to judicious tariff legislation, and not allow ourselves to be misled by specious arguments of financial revolution. What shall it benefit the farmer, the mechanic, and the laboring man if we open to him the opportunities to earn wages and, on the other hand, disturb our hitherto unassailable system of finance and pay him in a depreciated money? In this connection I propose to review briefly the financial history of the United States, so that he who runs may read for himself the fallacy of many of the popular arguments employed to convert the unwary to free coinage, and also to show how its advocates have perverted facts and history to strengthen their cause.

#### A REVIEW OF OUR FINANCIAL LEGISLATION.

Thirty-five years ago the Republican party, confronted by the gravest exigency in our national life, originated and adopted a system of currency and credit.

This system was subjected to the severest of all tests—civil war in its most tremendous form—but achieved a success and earned a place among the monetary systems of the world far greater than any ever instituted by any government on the face of the earth.

The Republican party has steadfastly maintained the high standing of this system through all the years of its ascendancy; has held firmly to an interchangeable currency based upon coin, every dollar of which has been maintained and redeemed according to the original pledge.

The same party is to-day, as ever, in favor of the same sound money, and will continue to maintain, by prudent legislation, the same wide use of gold, silver, and paper with profit and security to all the people.

#### OUR METALLIC MONEY.

Under the Confederation of 1778 Congress was given the sole and exclusive right and power to regulate the alloy and value of the coin struck by their own authority, or by that of the respective States; but, having no power to enforce its laws in the States and no revenues with which to carry out its own right of coinage, nothing was done.

Under the Constitution, Congress was given the exclusive power



to coin money, to regulate the value thereof and of foreign coins. It was expressly provided that no State shall coin money, and Congress exercised this power by the passage of the act of April 2, 1792, establishing a mint and regulating the coins of the United States.

In this act the "dollar" of gold or silver was adopted as the unit money of account, with the dollar coin of 371.25 grains of pure silver as the base.

#### FROM SILVER TO GOLD BASIS.

Between 1792 and 1834 we were under a bimetallic system, with the silver dollar as the actual unit on a basis of 15 to 1. Spanish dollars until 1816, and other foreign coins of both metals until a later date, were also a legal tender, but, as our lighter-weight silver dollars were exported to the West Indies, where they passed at par, we were without a sufficient national currency of either or both metals.

Legislation was therefore necessary, and by the laws of 1834 and 1837 the weight and fineness of the gold coin—and by the latter act the weight and fineness of both coins—were changed so as to make the ratio 16 (15.98) to 1, and to establish the double unit, viz, the eagle of gold and the dollar of silver.

#### COINAGE AND EXPORT OF SILVER TO 1853.

This change undervalued silver, as the act of 1792 had undervalued gold, and as a result silver went out of the United States to countries where it was worth more than with us.

In 1847 our coinage of gold was \$30,202,325, which fell to \$3,775,513 in 1848; while silver in 1847 was \$2,374,450, and \$2,040,050 in 1848.

The effects of the California gold output were felt in 1850 and its coinage increased, while that of silver decreased.

In 1850 the gold coinage was \$31,981,739; in 1851, \$62,614,493; in 1852, \$56,846,188; while silver in 1850 was \$1,866,100; in 1851, \$774,397, and in 1852, \$990,410.

#### CONDITIONS IN 1853.

By 1853 (in spite of an annual coinage of over a million dollars in halves, quarters, etc.) there was not enough subsidiary silver for small change, and we were practically on a gold basis. By the act of this year the values of the minor silver coins were reduced so as to stop their exportation, and what was a still more important act, these were made a limited legal tender for all amounts not exceeding \$5. This was the first step in the impairment of the double standard, established by the gold act of 1834.

#### CAUSES.

There were good reasons for this action. Silver was scarce, gold was plentiful, and it had been found necessary to coin silver in small denominations and with smaller proportionate values than the standard dollars to keep them at home for domestic use.

#### INCREASED GOLD OUTPUT.

The world's supply of gold had suddenly increased because of the California and Australian output. From an annual product of about \$13,482,000 in the period from 1831 to 1840 it reached \$132,500,000 after 1850. The natural result was to raise the value of silver and to lower that of gold.

#### NO SILVER IN CIRCULATION.

Then, too, we had no silver dollars in the country, or at least not in sufficient quantities to figure largely as a circulating medium. We had coined none from 1806 to 1836. In 1806 President Jefferson, the demigod of the silver Democracy of the present day, stopped the coinage of the silver dollar at the mints of the United States, and from 1836 to 1853 we had only coined of dollars 1,067,373, all the other silver coinage in this period being of minor money.

#### GOLD THE ACTUAL STANDARD.

While, therefore, after 1853, except for the minor coins, the double standard was the law, yet the actual condition was that of a single gold standard.

#### RÉSUMÉ.

Let us briefly review.

The act of 1792 made the silver dollar the unit, at 15 to 1; those of 1834 and 1837 changed the ratio to 16 to 1; that of 1853 reduced the value of the minor silver coins and limited their legal tender to \$5.

While the acts of 1834 and 1837 made the eagle of gold a co-unit with silver, they did not repeal the act of 1792, which based the unit of a bimetallic money on the silver dollar.

But from the causes already named 1853 found us practically with a single gold standard, with gold as the cheaper and more plentiful metal. While silver dollars were a full legal tender, they were not greatly used, because they were usually worth more abroad than at home, and were exported. Gold was the chief and sole base for coin currency.

#### SILVER DOLLARS COINED UP TO 1853.

We could not, indeed, have had many silver dollars then, because the total coinage of these up to 1853 had been only \$2,506,990. This condition obtained until the exigencies of the civil war

drove all coin money out and gave place to bonds, greenbacks and national-bank notes.

#### GOLD STANDARD INTENDED.

There is no doubt as to the intention of the lawmakers at that time on this point. They were legislating for a single gold standard, although they left the silver dollar as a co-unit. That this was the end sought is shown by the remarks made by the chairman of the Committee on Ways and Means:

We mean to make gold the standard coin, and make these new coins—

The subsidiary silver of proportionately less value—applicable and convenient, not for large but for small transactions.

Another member of the same committee said:

We have had but a single standard for the last three or four years; that has been and now is gold. We propose to let it remain so, to adapt silver to it, to regulate it by it.

In 1861 came the civil war, the tremendous expense account of the Government, the exhaustion of our current money, and later the issues of paper money in Treasury notes and bonds and national-bank notes.

#### HISTORY OF THE ACT OF 1873.

This act, concerning which so much has been said, was introduced in the Senate April 25, 1870; was considered through five sessions of Congress, and became a law February 12, 1873.

It has been charged that this bill demonetized silver, not openly, but by means of an amendment not fully known or understood except by a few. Let us follow the course of this bill.

#### THE ORIGINAL BILL.

As originally presented, April 25, 1870, section 14 made the gold dollar of 25.8 grains the standard of value, the unit of computation.

Section 15 provided that the weight of the silver coins should be for the half dollar 192 grains (the dollar was not mentioned), with proportionate values for the quarter, 25-cent piece, and dime; and that these should be legal tender for \$1.

Section 18 enacted that no coins other than those mentioned (that is, gold and minor silver) should be thereafter coined.

#### SILVER DOLLAR PIECE DISCONTINUED.

On page 11 of the report which accompanied this original bill are the following words:

The coinage of the silver dollar piece is discontinued.

The discontinuance of the silver dollar piece is pointed out by the committee three times in other places in this report. In all the discussions and in every form of the bill these two features, making the gold dollar the standard unit of value and the omission of the silver dollar (of 412½ grains), remain unchanged. Indeed, sections 14 and 18 (afterwards section 17) were never changed, but passed absolutely as first presented in the original bill.

#### SILVER SECTION.

Section 15 passed through enough changes to warrant the idea that its every provision was understood by all fully. In the Senate it first went through unmodified—36 to 14—(January 10, 1871) Senator Sherman voting against and Senator STEWART, of Nevada, voting for it.

#### LEGAL-TENDER \$3.

In the House committee this section was amended to make the legal tender \$5; but owing to lack of time, the bill went over.

On March 9, 1871, Mr. Kelley, in the House, reported the same bill as amended by the previous House committee; that is, with the legal tender raised to \$5; and, except for the 5-cent piece, it was an exact reproduction of the law of 1853. No silver dollars were to be coined, and this minor coinage was to be a legal tender for \$5 only.

#### A 25-GRAIN DOLLAR.

In the discussion it was shown that some desired to have a silver dollar included, although all agreed that its legal tender should be limited, and that its contents should be not 412½ grains, but twice that of the proposed half dollar, or 384 grains.

On February 13, 1872, Mr. Hooper reported it back as H. R. 1497, with these provisions:

SEC. 16. That the silver coins of the United States shall be a dollar, a half dollar, a quarter dollar, and a 10-cent piece, and that the weight of the dollar shall be 384 grains, the half and other coins in proportion, and that these shall be legal tender for \$5.

This passed the House May 27, 1872. It will be noted that this is not the old standard dollar of 412½ grains, but a subsidiary coin for change and of limited legal tender.

#### TRADE DOLLAR.

There were some who desired to attempt a competition in the East Indies with the Mexican dollar, and through these the bill was still further modified. As it was finally passed, in the Senate January 17, 1873, and House, February 7, 1873, the silver clauses were as follows:

A trade dollar of 420 grains for this export trade, although it was made a legal tender and so remained until July 23, 1876, for

\$5 at home; a half dollar of 12½ grains (on the basis of a silver dollar of 386 grains), and minor coins of proportionate value. All these were made legal tender for \$5 only. A 5-cent piece was included in the copper and nickel coins.

#### 412½-GRAIN DOLLAR NEVER IN THE BILL.

From the foregoing it is plain that the silver dollar of 412½ grains, "the dollar of the fathers," was not dropped out surreptitiously, because it was never in the bill to be dropped out. No one wanted it there. First they had a half dollar (no dollar), then a dollar of 384 grains, then a trade dollar for the Pacific Coast trade to the East Indies, and a half dollar of 12½ grains, or 192.9 grains (at the rate of 386 grains for a dollar), and all this silver was, from first to last, a limited legal tender for from one to five dollars.

#### WHY WAS SILVER DROPPED OUT?

In his speech (House, April 9, 1873, Congressional Globe, pages 2906-2908, volume 103), one of ten columns, by the way, Mr. Hooper, for the committee, said:

#### SILVER DOLLARS NOT A CIRCULATING COIN.

Section 16 reenacts the provisions of the existing laws defining the silver coins and their weights, respectively, except in relation to the silver dollar, which is reduced in weight from 412½ to 384 grains, thus making it a subsidiary coin in harmony with the silver coins of less denomination to secure its concurrent circulation with them. The silver dollar of 412½ grains, by reason of its bullion or intrinsic value being greater than its nominal value, long since ceased to be a coin of circulation, and is melted by manufacturers of silverware.

#### MR. STOUTINGTON SAYS SILVER DOLLAR IS TOO VALUABLE.

On the same day Mr. Stoughton, of Michigan, made a speech of seven columns, in which he said (same volume, page 2908):

The silver dollar as now issued is worth for bullion 3½ cents more than the gold dollar, and 7½ cents more than two half dollars. Having a greater intrinsic and nominal value, it is certain to be withdrawn from circulation whenever we return to specie payment, and to be used only for manufacture and exportation as bullion.

#### MR. POTTER DECLARES LEGAL TENDER SHOULD BE GOLD.

Mr. Potter, in discussing this part of the bill, said:

This bill provides for the making of changes in the legal-tender coin of the country and for substituting as legal-tender coin of only one metal, instead, as heretofore, of two. I think myself this would be a wise provision, and that legal-tender coins, except subsidiary coin, should be of gold alone. (Page 2910, volume 103.)

#### MR. KELLEY FAVORS GOLD AS STANDARD AND SILVER AS SUBSIDIARY MONEY.

And Mr. Kelley, who is reported as having said afterwards that he "did not know that the bill omitted the standard silver dollar," said on this same day (Globe, volume 103, page 2916):

I wish to ask the gentleman who has just spoken (Mr. Potter) if he knows of any government in the world which makes its subsidiary coinage of full value? The silver coin of England is 10 per cent below the value of gold coin, and, acting under the advice of the experts of this country and of England and France, Japan has made her silver coinage within the last year 12 per cent below the value of her gold coin, and for this reason it is impossible to retain the double standard. The values of gold and silver continually fluctuate. You can not determine this year what will be the relative values of gold and silver next year. They were 15 to 1 a short time ago; they are 16 to 1 now.

Hence all experience has shown that you must have one standard coin which shall be a legal tender for all others, and then you may promote your domestic convenience by having a subsidiary coinage of silver, which shall circulate in all parts of your country as legal tender for a limited amount and be redeemable at its face value by your Government. But, sir, I again call the attention of the House to the fact that the gentlemen who oppose this bill insist upon maintaining a silver dollar worth 3½ cents more than the gold dollar and worth 7 cents more than two half dollars, and that so long as those provisions remain you can not keep silver coin in the country.

In another place in the same speech Mr. Kelley said:

Every coin that is not gold is subsidiary. I repeat it, sir. Every coin that is not gold is subsidiary.

#### SENATOR STEWART DECLARES FOR GOLD.

Speaking on another subject a few months afterwards, Mr. STEWART, then, as now, a Senator from Nevada, said (page 1392, volume 2, part 2, CONGRESSIONAL RECORD):

I want the standard gold, and no paper money not redeemable in gold.

About two weeks later, on February 20, 1874, the same gentleman said (same volume, page 1677):

By this process we shall come to a specie basis; and when the laboring man receives a dollar, it will have the purchasing power of a dollar, and he will not be called upon to do what is impossible for him or the producing classes to do, figure upon the exchanges, figure upon the fluctuations, figure upon the gambling in New York; but he will know what his money is worth. Gold is the universal standard of the world. Everybody knows what a dollar in gold is worth.

These are the words of Senator STEWART before he became simply the representative of a special interest.

#### SENATOR JONES EXTOLS GOLD.

Senator JONES of Nevada took the same position. In the Senate April 1, 1874, he said:

Does this Congress mean now to leave entirely out of view and to discard forever a standard of value? Did any country ever accumulate wealth, achieve greatness, or attain a high civilization without such standard? And what but gold can be that standard? What other thing on earth possesses the requisite qualities?

#### PUBLIC DISCUSSION OF ACT OF 1873.

It has been charged that very little was said in the public press about this legislation. To this the answer is that in 1873 neither metal was in circulation; and it was also simply a reiteration of what had been a commercial condition for more than twenty years. The bill itself had been before Congress three years. From the date of its introduction in the Senate it was printed, by order of Congress, with amendments, thirteen times, and was considered during five different sessions by the Senate and House. The debates on the bill in the Senate covered 66 pages and in the House 78 pages of the Congressional Globe. It was finally passed with only the addition of the trade dollar, and there was not much worthy of extended comment.

#### THE PRODUCTION OF GOLD AND SILVER.

The legislation of 1853 and 1873 was based on commercial conditions, which in turn were largely caused by the variation in the output of the two metals both in the United States and in the world. Let us briefly study these and see why from 1853 to 1873, and even for a few years afterwards, gold was the more plentiful and cheaper; why later the price of silver fell so that the two were on a parity; why it kept on falling to far below this limit; and finally why in recent years the change in the ratio of production has tended and still tends strongly to induce the belief that a few years more will see them near the former parity.

#### GOLD IN THE UNITED STATES.

Up to the year 1848 our annual output of gold had never exceeded a million, except a trifle in two years. In that year it suddenly rose to ten millions (an amount equal to the total annual world product up to 1840); in 1849, to forty millions; in 1850, to fifty millions, and ranged from that figure to sixty-five millions up to 1860. Then for five years it ranged from forty to forty-six, and from 1865 to 1870 averaged over fifty millions. For the next five years it averaged under forty to go to fifty-one millions in 1878, and ranged from thirty in 1883 to \$39,500,000 in 1894. It did not touch the forty-million mark after 1871, except \$51,300,000 in 1878.

The recent increase dates from 1892, when it was at the low-water mark of \$33,000,000. In 1893 it went to \$35,900,000; in 1894 it reached \$39,500,000; in 1895 it went to \$46,610,000, and in 1896 to \$53,088,000. The Director of the Mint estimates that but for the great strikes at Leadville, Cœur d'Alene, and Cripple Creek the output for 1897 would have been greatly in excess of what the figures for that year are likely to show.

#### GOLD IN THE WORLD.

The gold product of the world had averaged for many years before 1840 a little over ten millions per year. In the ten years from 1841 to 1850 this suddenly rose to the then unprecedented figure of \$36,393,000. Despite this enormous gain, the next five years, 1851 to 1855, showed a product of more than three and a half times as great, \$132,513,000, or the immense sum of \$662,586,000 for the five years.

From 1856 to 1860 it averaged \$134,083,000; fell off eleven millions in the next five years; rose to \$129,614,000, 1866 to 1870; fell to \$115,577,000, 1871 to 1875; to \$114,585,000, 1876 to 1880, and to \$99,110,000, 1881 to 1885.

This was the gold low-water mark for the world for the past forty years. Since that time it has steadily increased, until for the year 1892 it reached a sum higher than ever before known—to the enormous total of \$146,815,100. For 1893 there was a further increase of nearly eleven millions, to \$157,287,000, while the amount for 1894 was twenty-three millions more—to the vast quantity of \$180,626,100. The product for 1895 was \$200,406,000; that of 1896, as computed by Rothwell, \$220,600,000; while conservative estimates put the world's gold product within five years at \$300,000,000 per annum.

#### COUNTRIES OF INCREASE.

It may be well to see whence this great increase has come. It will also enable us to estimate as to the future. The principal gold-producing countries for the years 1894, 1895, and 1896 were, in order and amounts, as follows:

Country.	1894.	1895.	1896.
United States.....	\$69,500,000	\$46,610,000	\$53,088,000
Australasia.....	41,700,800	44,798,300	45,182,000
Africa.....	40,271,000	44,554,900	44,000,000
Russia.....	34,138,400	38,894,400	* 22,000,000
Mexico.....	4,500,000	6,000,000	6,513,000
China.....	8,556,800	3,521,000	* 5,000,000
Total from 6 countries.....	158,722,000	174,378,000	184,783,000

The figures marked with an \* are those of Mr. Rothwell, of Mineral Industry, who estimates the gold product of the world for 1896 to have been \$220,600,000.



Of the above China shows a small increase; it of all other nations remains about the same year by year. The recent and future increases are to be found and expected in Africa, Australasia, United States, Russia, and Mexico. These increases have been as follows:

Country.	1893 over 1892.	1894 over 1893.	1895 over 1894.
United States.....	\$2,900,000	\$3,545,000	\$7,110,000
Australasia.....	1,829,600	6,072,200	3,087,500
Africa.....	4,711,500	11,328,500	4,283,900
Mexico.....	176,100	3,194,700	1,500,000
Russia.....			4,761,000
Increase.....	9,317,200	24,140,400	20,662,400

The Director of the Mint and leading European authorities agree in ascribing the comparatively small increase in Africa to the political disturbances in the Transvaal, which were brewing some time prior to their actual eruption in an attempt at revolution.

#### SILVER IN THE UNITED STATES.

From 1792 to 1834 the product of silver was insignificant; from 1834 to 1844 it is estimated at a total of \$250,000; from 1845 to 1857, both inclusive, it is given at \$50,000 per year. In 1858 it went to \$500,000; in 1859, fell to \$100,000; 1860, \$150,000; in 1861 it rose suddenly to \$2,000,000; went to \$4,500,000 for 1862; \$3,500,000 in 1863, and ranged from eleven millions to sixteen millions up to 1871. In that year it reached twenty-three, and varied from twenty-eight to forty-eight millions up to 1885.

Demonetization, so called, took place in 1873; resumption and the use of coin money took place in 1876. From 1874 to 1884 there was only a slight increase, the highest figure, in 1884, being \$48,800,000. In 1885 it reached \$51,600,000; rose to fifty-three in 1887; to fifty-nine in 1888; to sixty-four in 1889, and touched seventy millions in 1890. In 1891 it went to \$75,417,000; in 1892 it reached the high-water mark—the highest ever known, \$82,101,000—only to fall off in 1893 to \$77,576,000, and to \$64,000,000 in 1894, increasing to \$72,056,000 in 1895 and to \$76,069,000 in 1896.

#### COMPARATIVE INCREASE.

From 1874 to 1895 silver increased \$34,751,000; in the same time gold increased a little more than thirteen millions, but there was no appreciable increase in silver until 1885.

#### SILVER IN THE WORLD.

The annual average coinage value of the silver produced in the world has been: From 1545 to 1761, \$12,450,000 to \$22,162,000; from 1761 to 1860 it ranged from \$19,144,000 to \$37,618,000; 1861 to 1865 it was \$45,772,000; 1866 to 1870, \$55,663,000; 1871 to 1875, \$81,864,000; while from 1876 to 1890 it rose to an annual average of \$101,851,000, and from 1891 to 1895 to \$118,955,000.

The value for 1896 was \$120,626,800, and for 1897 it was \$124,281,000. It continued to rise steadily some twelve millions per year to 1893, when it was \$213,944,400. The year 1894 only showed a slight decrease, a trifle over \$1,114,800 for that period. The returns for 1895 again show an increase of \$4,781,200.

#### COINAGE VS. COMMERCIAL VALUE.

The foregoing figures as to silver, being based on the United States coinage value, are not a true guide as to the actual market value. From 1833 to 1850 the average price of a fine ounce of silver was about \$1.31, or 60 pence. In 1850 and up to 1873 it ranged at about \$1.33, or 61 pence, only touching \$1.36, or 62 pence, in 1859.

#### AVERAGE BULLION VALUE.

In 1873 the average bullion value of a silver dollar was \$1.004, making it more valuable than a gold dollar. For 1874 it was \$0.988; 1875, \$0.964; 1876, \$0.894; 1877, \$0.929, and has not reached the \$0.90 mark since. In 1886 it got into the seventies, rose to \$0.81 in 1890, to fall to \$0.764 in 1891, to \$0.674 in 1892, to \$0.604 in 1893, to \$0.491 in 1894, rising to \$0.505 in 1895, and to \$0.523 in 1896, falling again to \$0.044 in July, 1897. In other words, in 1873 the ratio was 1 to 15.92; in 1896 it was 1 to 30.66.

#### 1873 AND 1896.

In 1873 a silver dollar containing 371.25 grains of pure silver would purchase only 300.77 grains of the same silver. The coined value was 1½ grains less than its commercial value.

In 1894 this same dollar would purchase 756.04 grains, or twice itself and 5½ grains over; in 1895 it would purchase 733.87, and in 1896 711.93 grains, showing a rise in silver due to the decrease in the output of white and the increase in that of yellow metal during the last three years, an increase that is sure to assist in absorbing the surplus of white metal in the world.

#### WHY WHITE METAL FELL IN VALUE.

Did silver fall or did gold get scarcer and grow dearer? I have shown that in the United States the gold product held steadily at over thirty and (except in 1877-78) under forty millions from 1874

to 1894, going from \$39,500,000 in the latter year to \$46,610,000 in 1895; that in the world for this same period it had steadily increased from \$115,577,000 to \$200,406,000. Evidently during this period gold did its full duty and earned the repute of a metal of stable and sufficient increase in output.

Silver first came to be a factor in the United States in 1861, when \$2,000,000 was produced; in 1864 it was \$11,000,000; in 1874, \$37,300,000; in 1894, \$48,800,000, with from fifty-one to eighty-one millions per year thereafter.

The world product had gone from an annual average coinage value of \$81,864,000 in 1874 to \$118,955,000 in 1894, and \$212,829,600 in 1894.

From 1874 to 1894 silver did not make nearly so great a proportional gain as did gold from 1841-1850 to 1851-1855.

#### PROPORTION OF METALS.

For three hundred years, 1545-1840, during which time Spain had poured the wealth of her American silver mines into the markets of the world, the general average proportion of the value of the two metals produced had been about 33 per cent for gold and 67 per cent for silver. From the period 1841-1850 up to that of 1876-1880 this proportion was about 66 per cent for gold and 34 per cent for silver—much greater than the three-century average. From 1881 to 1894 gold was still 44 per cent, while for 1894 it was 46.3, and in 1895 it had increased to 47.7 per cent. It is interesting to note that the percentage of production by value from 1492 to 1895, inclusive, was 45.9 of gold to 54.1 of silver.

#### SILVER LEGISLATION IN THE UNITED STATES.

##### Kelley-Bland bills.

In 1876 Mr. Kelley (Pennsylvania) introduced a bill for the coinage of standard (412½ grains) dollars, and to make them an unlimited legal tender. The same year Mr. Bland (Missouri) introduced a bill for the unlimited issue of Treasury notes in exchange for gold and silver bullion.

Both these measures were considered, and in March, 1877, a commission of Senators and Representatives made a report on the relations of gold and silver.

The Kelley bill, as modified and championed by Mr. Bland, passed the House November 5, 1877. It provided, with the Bland amendment, for the free and unlimited coinage of 412½-grain dollars, and made these an unlimited legal tender, except where otherwise specified by contract.

##### Bland-Allison Act.

The Kelley-Bland bill was modified in the Senate, and became known as the Bland-Allison bill. As modified in the Senate and as finally passed it restricted the coinage to the 4,000,000 ounces per month which the Secretary of the Treasury was to purchase, and it gave to the public Treasury the seigniorage or profit on these purchases and coinages. The silver thus to be coined was made an unlimited legal tender except for certificates of deposit of gold and silver bullion under the act of 1863 and in cases where other money had been stipulated by contract. Section 3 authorized the deposit of these dollars and the issuance of (silver) certificates therefor. It became a law over the President's veto February 28, 1878.

##### Bland and Conger bills.

In 1886 Mr. Bland again introduced a bill for the free and unlimited coinage of silver—that is, giving to the mine owner and bullion producer the whole profit of the seigniorage or difference between the actual cost and the legal-tender value of the dollar when coined.

Mr. Conger introduced another bill, embodying the views of Secretary Windom, allowing owners of silver to deposit it and receive Treasury notes to the amount of its then market value, these to be redeemed when presented at its then value.

##### The Sherman law of 1890.

The Conger bill, as modified, was finally passed, and became a law July 14, 1890, and is known as the Sherman law.

It directed the purchase of 4,500,000 fine ounces of silver each month at not to exceed \$1 for 371.25 grains of pure silver, and the issue of Treasury notes therefor. These notes were to be redeemable on demand in coin, and could be reissued. They were made legal tender for all debts, public or private, except where otherwise expressly stipulated, and for customs, taxes, etc., and when so received could be reissued. They could also be counted as part of the lawful money reserve of national banks.

The act further provided that upon demand of holder the Secretary of the Treasury should redeem such notes in gold or silver, at his discretion, it being (says the act) the established policy of the United States to maintain the two metals on a parity with each other upon the present legal ratio or such ratio as may be provided by law.

Section 3 provided for the coinage until July 1, 1891, of \$2,000,000 per month; after that date as much as needed to redeem Treasury notes issued under this act.

Any gains or seigniorage arising from such coinage was to be accounted for and paid into the Treasury.

#### WHAT IS GAIN OR SEIGNIORAGE?

The Bland bill as it passed the House November 5, 1877 (it did not become a law), allowed any owner of silver bullion to deposit it and receive for every 371.25 grains of pure silver (412½ grains of standard silver) a coined dollar which should be an unlimited legal tender. He was only to pay the half per cent mint charge for this great privilege. All the profit in this transaction was to go not to the Government, not to the people through the Government, but to the mine owner, the bullion producer. In 1886 Mr. BLAND introduced another bill with the same provisions. Mr. Plumb's amendment to the Conger bill, adopted by the Senate June 10, but which also failed to become a law, had the same provisions.

#### SENATOR STEWART'S FREE COINAGE AMENDMENT.

Another attempt was made in January, 1891, when Senator STEWART, of Nevada, offered a free-coinage amendment providing that at the "owner's option he may receive therefor (silver bullion) an equivalent in such standard dollars or Treasury notes," having "the same legal qualities as the notes provided for by the act approved July 14, 1890." This was designed to leave the Government no option as to the mode of payment for this bullion, and to enable the silver mine owners to take the most valuable mode of payment, which would probably be Treasury notes redeemable in "coin." July 1, 1892, Mr. STEWART offered another measure in the Senate, providing for free coinage and making the standard silver dollar legal tender for all debts and dues, public and private, "provided that foreign silver coins, or silver coins bearing the impress of foreign mints, and bullion formed by melting down such coin, shall be excluded from the provision of this act."

In this measure Senator STEWART sought to fasten legislation upon the country by which it would have been obliged to take the product of the Western silver barons as it was offered for free coinage. Commenting upon this purpose, Senator VEST, of Missouri, declared that he was for free coinage, "not to give a market to the mine owners of the West, but because it is a money metal," and the foreign clause was stricken out.

All of these measures were in the direct interest and to the sole advantage of the mine owners. All profits or gains in the business went not to the Government to help to lighten the burden of the people, but for the profit and gain of a particular class.

#### PROFITS OF SEIGNIORAGE.

Let us see what these profits were. Under free coinage, on an average, in 1878 bullion worth 89.1 cents when deposited by the mine owner would have entitled him to receive from the mint a legal-tender dollar worth 100 cents in silver or in gold. He would have made a net profit, not counting the small charge for coinage, of 10 cents—a profit gained at the expense of the whole people.

In 1886 this same bullion was worth only 76.9 cents, giving to this same class a net profit of 23 cents and making a net cost to all the people of 23 cents for the inestimable privilege of allowing the mine owners the chance of using the Government and people of the United States as a stalking horse. It would make their dollars cheaper to the mine owners, of course. How would it help those who had to buy these same silver dollars by the sweat of their brows and at the full price of 100 cents on the dollar?

Had this provision, so beneficent to the mine owner, been in operation in 1894, the dear people would have been giving the mining men a 100-cent dollar coined from silver bullion which had cost the same mining people just 49.1 cents. The people of the United States may be lying awake of nights sighing for more silver, which, by the way, they will not accept when given them if they can help it, preferring the paper equivalent, but they should not be compelled to subsidize any class of our citizens, however meritorious they may be, to the extent of taking 49 cents' worth of silver and stamping it a dollar and handing it back to them. This may, indeed, make more money, but it makes it into the wrong pockets, into the pockets of the mine owners, from which the people will have to get them out by a well-known system of purchase at full price.

#### WHAT FREE COINAGE WOULD HAVE COST.

Let us calculate the result of such financial legislation; let us see what it would have cost the people of the United States to have given the free coinage at the dates stated.

In 1878 the average cost of silver bullion, enough to make a standard silver dollar, was 89 cents. In that year we coined 22,495,550 of these dollars. At 11 cents on the dollar it would have cost the country just \$2,474,510.50 to have thus accommodated the silver-mining interests of the country.

In 1896 we coined 31,423,886 of these dollars out of bullion which cost only 77 cents for each coined dollar, and which, had this been done under the free-coinage provisions, would have cost the people the considerable sum of \$7,227,493.78, and which would have

been a direct contribution on the part of Congress of the public funds to the profits of the silver-producing interests of the country. A more monstrous instance of attempted diversion of public money was never attempted.

#### THE SHERMAN LAW.

Under the operation of the Sherman law of 1890 it was found that the Government was purchasing 54,000,000 ounces of silver per year, or nearly all that was produced in the United States. This silver was stored in the Treasury vaults, and Treasury notes issued for the same, which were redeemable in gold on demand. It can be readily seen that it would be only a question of time when the Government would be obliged to suspend gold payments and reach a silver basis if this were continued.

#### REPEAL OF THE SHERMAN LAW.

At a special session of the Fifty-third Congress, called in August, 1893, after a long and spirited debate, the so-called Sherman law, on November 1, was repealed.

#### AMOUNT OF SILVER IN USE AS MONEY.

There is a widespread misunderstanding as to the actual amount of silver in use as money by the Government. According to the statistics of the Director of the Mint for 1896, there was coined into silver dollars, which are either in circulation or lodged in the Treasury vaults, silver bullion to secure Treasury notes, and subsidiary silver the enormous amount of \$628,728,071, all of which is in actual use as money. The total amount of gold in use in the United States July 1, 1896, was \$599,597,964, and of greenbacks \$346,681,016.

So it will be seen that there is more silver in use than any other kind of money, and I believe it would be greatly to the interest of the Government and of the people if all paper money under \$5 could be retired and the silver dollar put in its place to do its work, instead of being stored in the Government vaults. This is the case in France, Germany, and England, where but very little, if any, paper or gold can be found of a less denomination than £1 in England, 20 marks in Germany and 20 francs in France, practically approximating \$5 of American money.

A statement prepared at the Mint Bureau shows that the number of silver dollars coined at the United States mints during the fiscal year ended June 30, 1897, was 21,203,701, on which the seigniorage or profit to the Government amounted to \$6,336,104.25. This profit was turned into the Treasury from time to time as the coinage progressed, and was used to reduce taxation instead of wandering into the pockets of the silver producers, as would have been the case under free coinage.

#### REPUBLICANS TRUE TO THEIR PRINCIPLES.

These are authentic facts and official figures, from which every intelligent citizen should be able to draw his own conclusions without further comment. They embody to a great extent the record of the Republican party on the wisest legislation now on our statute books dealing with our finances and the elements of permanent prosperity. The Republican party has again taken the initiative in bringing order out of chaos, and, under the leadership of an able, patriotic, and statesmanlike Chief Executive, President McKinley, is loyally carrying out the principles of the platform adopted by the St. Louis convention in 1896.

In harmony with the spirit of that platform, and in response to the demands of nine-tenths of the suffering business interests of the United States, the President called Congress together in special session to repeal the Wilson bill. Senate and House enacted into law the Dingley bill, which is now in full force and effect, and its beneficial influence is already making itself felt in every section of the country.

The President, as one of the first acts of his Administration, appointed a commission to go to Europe to seek the establishment of an equitable arrangement with the leading commercial powers of the world for the use of both silver and gold within the limits of a safe and stable international policy, while he has also sent to Congress a message urging the appointment of a nonpartisan monetary commission to recommend supplementary legislation for the improvement of our banking and currency system along necessary and expedient lines. The House of Representatives promptly adopted a resolution in harmony with this message. Thus the Republican party is loyally and fearlessly living up to its principles.

#### SUMMARY.

I have endeavored, Mr. Speaker, in these few remarks to give a history of the finances of this Government since the war; also showing the production of silver and gold for the past three hundred and fifty years, believing that the enormous production of silver during the past twelve years has had much to do with its present bullion value, and also believing, Mr. Speaker, that the great increase in the production of gold and decrease in the production of silver since 1892, if continued for a few years, will do much to bring these metals more nearly together in bullion value.



Give Us an Abundant Circulating Medium—Give the People more Money, and it will Start the Spindles in the Idle Factories, it will Light the Furnace Fires, it will Put the Coal Miners to Work at Increased Wages, it will End the Strikes, Stop Business Failures, and it will Send over the Land that Long-Promised Wave of Prosperity.

SPEECH  
OF  
**HON. JAMES GUNN,**  
OF IDAHO,  
IN THE HOUSE OF REPRESENTATIVES,  
Monday, July 19, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. GUNN said:

MR. SPEAKER: The bill before the House was first presented to this body the 15th of last March. It was designated by its friends at times as a revenue measure, and at other times as a protective measure; but whether protection or revenue, we were assured that it would flood the nation with the sunshine of better days; that hid away somewhere between its covers was a magic talisman, a magician's wand, that would drive poverty from the land and deluge us with a tidal wave of prosperity. It is now nearly four months since this bantling was launched on the House, and as we approach its final passage after these months of agony there seems to be general distrust manifested everywhere.

Tramps were never as numerous as they are now. The St. Louis Republic, under date of July 3, reported that an army of 15,000 were crossing the State of Kansas. Strikes and lockouts are the order of the day, and a continuous wail of poverty and distress comes up to this Chamber from all portions of the country. The coal miners, to whom you promised such glorious times if they would only vote for McKinley and prosperity, have been forced to strike against the starvation wages they have been compelled to work for. Business men are going into bankruptcy and industrial plants are being locked up by the sheriffs. From the surroundings we are forced to the conclusion that if the people have any confidence in this bill, as yet they have not made it manifest.

Whatever I may say against this bill is not from the standpoint of a free trader or a tariff-for-revenue follower, for I am neither one nor the other. I have always believed in the protective idea, and I believe in it yet. A tariff adjusted to protect infant industries, perfectly fair toward all classes of our people and all sections of our country, and that will aid in upholding the standard of wages, can always count on my support. On the other hand, a tariff that is designed to build up monopolies, destroy legitimate competition, and which is intended to levy an unjust burden of taxation on an impoverished people that extravagant appropriations in the conduct of the Government may be maintained, can never count on my support.

At this time an increase of the tariff rate, or of taxation, they being synonymous terms, is a positive injustice. We have contracted the volume of money and measure all commodities by the single gold standard. The people are now too poor to buy arid woolen goods. Put on a heavier tax and raise the price and the amount purchased will be still less, and they must seek a cheaper material with which to clothe themselves. The point I wish to make is this: A protective tariff without an ample supply of money in circulation will prove to be a curse, and not a blessing.

Give us an abundant circulating medium; give the people more money, and it will start the spindles in the idle factories; it will light the furnace fires; it will put the coal miners to work at increased wages; it will end the strikes, stop business failures, and it will send over the land that long-promised wave of prosperity. Then you can increase the tariff tax, and though even under these circumstances it would be uncalled for, yet it would be excusable on the ground that the people could bear the burden.

TARIFF DECEPTION.

There is a great deal of deception connected with this tariff legislation. Let me see if I can point out some of it. In certain countries they call a tax a tax, just as an ordinary individual would call a spade a spade or a plow a plow. We resort to a more skillful method than that in the United States when we levy a tax on the people. We tell them we are going to protect them; when we raise the tax, we tell them that we are giving them more protection. If we did not do this, the citizens might complain of the excessive tax rate. When we tell them that we are simply protecting them, they throw their hats in the air and hurrah for more taxes under the name of protection. While favoring a protective theory, excuse me for declining to enter into this game of deception. We can give the people of this nation all the protection they desire, and do it without increasing the present excessive tax rate.

To me one of the amusing features of this tariff discussion is to hear a Democrat take the floor and announce that he is a free trader or a tariff-for-revenue man, and then advocate a protective tariff on sugar, rice, white pine, or some other commodity that is produced in his section. This is only offset by the Republican who shouts for protection at the top of his voice, and then advocates free lead, free wool, free hides, free nickel, and free manganese, because the manufacturers in his district demand it.

This reminds me of the truth of the unfortunate remark made by Hancock—unfortunate because it lost him the Presidency: "The tariff is a local issue." Let us be honest in the discussion of this question, and if a Democrat advocates protection on a certain line of commodities under any guise, let us call him a protectionist. If, on the other hand, a Republican advocates free trade on another line of commodities, let us designate him as a free trader.

The bill under consideration is something more than a protective measure—it is intended to be a revenue producer. Both systems of taxation—direct and indirect—are resorted to, but this fact is kept well in the background. While the trusts, the monopolists, and their paid emissaries fill the day and the night with loud acclaim over the prospect of more protection, nothing is said about the certainty of more taxation.

In speaking of the deception practiced in this bill, attention should be directed to Schedule G, agricultural products and provisions. Cattle and hogs are on the protected list. This sop has been thrown out to appease the farmer, but it is doubtful if it will accomplish its mission. We are moving heaven and earth to hold the European market for our meats. The question will naturally present itself to our agriculturists: How will a protective tariff of from \$4 to \$6 per head benefit them, when they must market their surplus cattle in Germany, France, or England? In looking this schedule over it will be noticed that valuable horses are protected, but the "bucking broncho," or the wild-eyed cayuse of the distant West, so dear to the cowboy's heart, is not recognized by even a faint trace of protection.

In this connection attention might be called to the fact that Oregon's new industry has been overlooked. There is no protection for canned horse. It is the product of the single-standard prosperity, and it seems ungrateful not to recognize it. We see hogs protected at \$1.50 per head, and when we acknowledge the fact that we are straining heaven and earth to hold a market for our pork in Europe, the thin disguise is torn from this fraud. Corn is so abundant that in certain States it is used for fuel, but it is protected with a rate of 15 cents per bushel. Republicans on the floor of this House, when this bill was up the first time, maintained that a protective tariff cheapened a commodity. This doctrine was asserted over and over again. It seems to be a recognized tenet in the faith of the high protective tariff men. If this doctrine applies to corn, one might respectfully suggest that the farmers believe that corn is too cheap now.

Following corn comes wheat; and as every man, woman, and child in the United States who has arrived at the age of reason knows that our surplus wheat is sold every year in the English market, we may with propriety ask, How will this protection protect? Is it not apparent to every person that these rates are used for purposes of deception, in a vain endeavor to make the farmers believe that you are solicitous for their welfare, that you are anxious to deal justly with them in framing this tariff measure, when every page of the bill, every sentence, and every line is in the interest of trusts? If we were importing hogs, corn, and wheat to support our surplus population, as they are doing in some European countries, then a tariff on these articles might help our farmers; but when we are exporting them, the folly, the mockery, and the hollow deception of this tariff legislation become apparent.

The People's Party has ever characterized the strife over the tariff rates as a sham battle. It has told the voters over and over again that it was merely a ruse, this clashing of cymbals, beating tom-toms, and roll of drums, to attract their attention from the real, live issues of the day.

The fact that trusts and monopolies are exerting their baneful influence to destroy competition is never alluded to; that the transportation monopoly is an octopus of vast proportions, with its tentacles in every hamlet in the land, sapping the energies and drawing the lifeblood from our people; that the money monopoly has destroyed one of the twin metals—silver—and cornered gold, and they absolutely have all mankind at their mercy, as they can expand or contract values at their pleasure; that the land is passing from the control of the American people, and we are becoming a nation of tenants, living on the earth on such terms and conditions as some landlord may dictate.

While these evils are growing and sending their roots into the vitals of the nation, we are told morning, noon, and night that we can remedy all defects in our governmental machinery by raising or lowering the tariff. I believe that there is an Almighty Providence that watches over the destinies of this great nation.

His guiding hand was manifest in our Revolutionary struggle and on a hundred battlefields during the great rebellion. Under His ever-watchful care we have reason to hope that the tariff fraud has been worked on our people for the last time; that from this hour forward attention will be directed to more vital questions and to the preservation of our liberties.

#### THE TARIFF HAS ALWAYS FAILED TO PRODUCE PROSPERITY.

We had a protective tariff for over thirty years, and we can now take a review of the past and ascertain what the result has been. It can not be said that the Wilson bill is not a protective measure, for under its workings we collected during the fiscal year ending June 30, 1894, \$131,807,753.88; during the year ending June 30, 1895, \$151,907,588.94; for the year ending June 30, 1896, \$159,516,275.50, and for the year just closed, \$176,273,740.76.

All will admit that a tariff tax that yields a revenue of over \$175,000,000 a year must protect somewhere. Without going into an elaborate discussion of this question, let us revert to the original proposition, that a tariff has always failed to produce prosperity. It makes no difference how it may be adjusted—raise it or lower it—the condition of the people will not be materially improved. In order to cure existing evils we must work on other lines and abandon the sham battle that we have been waging these many years. We should commence with the financial question, and give the people more money by coining the gold and silver that a kind Providence stored up in our mountains in such generous quantities, and the use of which would have prevented so much poverty and distress in the land.

In order to show that a tariff, no matter how adjusted, will not bring prosperity to the land, the following list of failures for the years commencing with 1879 and ending with 1896 are submitted:

Years.	Number of failures.	Number of business concerns.	Per cent of failures.	Liabilities.
1879	6,059	702,157	0.85	\$98,149,053
1880	4,735	746,823	.63	95,732,000
1881	5,582	781,689	.71	81,155,932
1882	6,736	822,256	.82	101,547,546
1883	9,184	863,903	1.06	172,874,172
1884	10,908	904,730	1.21	226,343,427
1885	10,637	919,000	1.16	124,230,321
1886	9,834	969,841	1.01	114,644,119
1887	9,634	994,281	.90	167,560,944
1888	10,679	1,046,002	1.02	123,829,973
1889	10,862	1,057,140	1.04	148,784,337
1890	10,907	1,110,590	.98	189,856,964
1891	12,273	1,142,951	1.07	169,898,638
1892	10,344	1,172,705	.88	114,044,167
1893	15,242	1,163,113	1.28	346,779,889
1894	13,865	1,114,174	1.25	172,992,856
1895	13,197	1,200,282	1.09	173,196,000
1896	15,066	1,161,570	1.31	230,096,534

Here we have a period of eighteen years, during which time we tried the Morrill tariff, the McKinley tariff, the Wilson tariff, and are promised the Dingley tariff, the very mention of which we were told would produce prosperity; and note that the business failures for the quarter just ended amount to \$48,000,000—a sum that has been exceeded but seldom in our long list of financial wrecks. See the land covered with striking laborers, the evidences of poverty multiplying everywhere; it becomes more and more apparent that the Dingley bill, like its predecessors, will be a failure. What a difference there is between before election and after election. Before election, the dead walls from the Atlantic to the Pacific were covered with posters telling us that a vote for McKinley meant more work and more wages. After the election we find out that it means less work and no wages.

The Democrats tried their hands at this tariff tinkering four years ago. In the campaign that occurred at that time they told the voters that they had a tariff measure that would restore confidence in business channels, put the idle laborers to work, and increase the wage scale for those who were employed. After the election the man whom they had just elevated to the Presidency hastily convened Congress in special session—for what purpose? To enact into law his tariff views? Why, bless you, no. It was another case of before taking and after taking. He said the tariff would keep; that the financial question needed immediate attention.

In this he was right; but he was wrong in his method of procedure. He advocated and had carried out a contraction of the currency when we needed an expansion. The party of which I have the honor of being a member said then that the President's policy would only aggravate the distress that reigned around us. What we needed was a return to the use of gold and silver as money, full legal tender, and not a restriction of one of the metals. Events have proven that we were right. You tariff people and you single-standard people have had things your way in the Government since 1873, and before. You changed the tariff bill from the Morrill rates to the McKinley rates, then to the Wilson

schedule. Now, look at the list of failures and tell me, are you proud of your effort? You also tried your hand at a contraction of the currency, and your effort again has been a failure. The men who stood on the outward bulwarks, as faithful watchmen, and warned the nation of impending danger ought to receive some recognition; their warnings should ultimately receive attention.

At this point I desire making an explanation. Whatever I have said by way of adverse criticism of the Democratic party has not been said for the purpose of wounding the sensibilities of any Democrat who stands by that patriotic declaration of principles known as the Chicago platform. In the last campaign I supported their great leader, W. J. Bryan, on that platform, and under similar circumstances stand ready to support him again. When this tariff trash, this old thrashed straw, is thrown into the waste heap and a union is perfected between the patriotic elements in the nation, Populist, Silver Republican, and Silver Democrat, we will have an American financial system, and a man will not be jeered at anywhere in this land for advocating financial independence and severance of the bonds that shackle us to the money lords on the other side of the Atlantic Ocean. When that happy day comes, as come I believe it will, we will have contentment and prosperity everywhere in this mighty nation.

#### OUR EVER-SWELLING VOLUME OF DEBT.

The advocates of this tariff measure at times fall back on the census and tell us that we are a rich people. That we are reveling in wealth, all of which was acquired under a protective tariff. They never allude to the business failures. They are much like the mule that boasts that his father was a horse, without calling attention to the other side of the family. To me it is somewhat amusing to hear these fellows get up and proclaim that when the last census was taken we had 62,000,000 of people, \$62,000,000,000 worth of property; that our property valuation amounted to \$1,000 per capita of our population; that since 1860 we have doubled our wealth; and all this was done under a protective tariff. Once more let it be said that I am not attacking the protective-tariff theory; I am only assailing its misapplication, its perversion, as exemplified in the bill before the House. If all other conditions were favorable, a protective tariff is an aid to prosperity. With an ample supply of money it can be turned to a good purpose, but with a restricted volume it is certain to be a positive injury.

But to return to the question of our wealth. The Republican statement relative to our wealth reminds me of an incident that came under my observation but a short time ago. In traveling through the country my attention was attracted to a farmhouse and its surroundings. A neat structure, roomy, substantial barn, well-kept fences, and an abundant crop waved and nodded in the summer sun to gladden the heart of the husbandman. I remarked to my companion that the owner of that place was evidently in good circumstances, and was startled with the gruff reply: "If that property was sold to-morrow, it would not bring enough to pay that man's debts." "It is true," my informant added, "that the place is worth some \$12,000 or \$15,000, but it is mortgaged for \$5,000, and at forced sale it would not bring any more." Let us see what we owe; let us apply the same rule to the nation.

Like the farmer, if the property of the nation was put up at forced sale it would not bring any more than we owe. We can take either one of two views of this situation. If the indebtedness is owed to home capitalists, it is still a part of our assets, but who will not condemn that governmental policy that concentrates the wealth of the nation in the hands of a few money changers, that mortgages the States, counties, cities, transportation lines, industrial enterprises, and individuals to a handful of brokers. The fact is this: Our indebtedness is not held at home. The amount of the holdings in the hands of the capitalists on the other side of the Atlantic is counted by the billions of dollars. When we look at our great country and its magnificent resources and then at the load of debt pressing our people down to death and slavery, we are forced to the conclusion that the thirty years we have spent in fostering tariff legislation has been a failure.

The conclusion is pressed home on us irresistibly that we need something more than tariff legislation to quicken and protect the energies of our people. If we are told that we need European capital, we can truthfully answer that the thing called European capital was dug out of our mines, was the product of our rich metal-bearing mountain ranges. From 1792 down to the year 1895 we extracted from our precious-metal mines a total of \$6,000,000,000 worth of gold and silver bullion. At the close of business on the 1st day of this month, according to the Treasury statement, we had an aggregate of gold and silver in the United States locked up in the Treasury vaults and in various banking institutions of \$1,199,108,876. This leaves a balance of \$4,800,891,124 not accounted for.

What became of all this coin, or of coin metal? It must be admitted that a certain per cent of it was used in the arts. During the year 1895 the various civilized nations consumed in the



arts \$99,967,212, practically \$100,000,000. Of this amount the United States consumed \$25,706,109. During that year the world's production of gold and silver amounted to \$418,016,800. The world used one-quarter of its output in the arts, but if an account is taken of the gold and silver that is lost, worn by abrasion, and the large amount not covered by Government statistics, at least one-half of the precious metals is used for other purposes than coin.

If one-half of the output of gold and silver in the United States was used for commercial or manufacturing purposes there should still be left with us \$3,000,000,000 in gold and silver which we could turn into coin. It is not in the country when we want it; we must go to the other side of the Atlantic and borrow it. In fact, we have no coin that we can call our own. Whenever European capitalists see fit to unload our securities on us they can take every dollar out of the country. They raid our Treasury and our banks for coin whenever they need it.

After these long years of tariff legislation the nation that has fed the world with its wheat, clothed it with its cotton, and supplied it with the precious metals for coining purposes, presents to us to-day, in the fifth month of this prosperity Administration, thousands of striking workmen, starving, naked, and penniless. During Cleveland's Administration the Republicans talked calamity, and with ridicule pointed to the patch on the workman's pants which they called a Cleveland badge. Perhaps they were justified in this. I believe they were. They are now in power; they promised us an immediate return to prosperity, but instead we see the patch still on the workman's pants, and it is impossible to tell the difference between a McKinley badge and a Cleveland badge. One is just as conspicuous as the other.

Following this line of thought, let us take up the condition of the industrial masses. The census of 1890 is a Republican document, though rarely referred to by members of that party. It was taken under a Republican Administration and by Republicans. It is the best showing they could make of thirty years of Republican laws and Republican policy. When it was taken it placed the population of the nation in the neighborhood of 62,000,000 souls, or, to put it another way, 12,690,152 families. This represented that many homes rented, mortgaged, or unencumbered. Out of this number, there were 2,250,800 mortgaged homes or farms, while 8,250,000 occupied rented homes or farms. This left 2,190,152 persons who occupied their own homes and farms and who owned their own homes and farms free of incumbrances.

From this we see that 2,250,000 residences and farms were mortgaged and 2,190,152 were unencumbered. In these times, with the single standard as our sole money dependence and with higher taxes, it is hardly proper to say that a family with a mortgage on the premises is the owner of a home. In order that this statement may be not only fair but generous, let us put both classes, the encumbered and the unencumbered, in the same category as home owners, and it gives us 4,440,152 families—home and farm owners. This leaves 8,250,000 families, or 41,250,000 people, who own neither homes nor farms.

A frightful picture; and yet it does not tell the truth, for the fact still remains that but a small percentage of those who are mortgaged succeed in paying out. Then, if we deduct the encumbered homes from the total of home owners, the account stands this way: Mortgaged homes or farms, 2,250,000; rented homes or farms, 8,250,000; total, 10,500,000, and, with 5 persons to the family, a population of 52,500,000 persons, who have neither homes nor farms. With thirty years of tariff protection and the single standard, it does seem as though the men who have advocated a policy which has produced such disastrous results would, under the promptings of patriotism, consent to a trial of some other system with a hope that some better result might be obtained.

Pursuing this line of reasoning further, we find the census gives additional information, and not of a very agreeable character. Let us take up the condition of the people of a few of the States, commencing with Kansas. We find that there were in 1890 mortgages amounting to 298,880, representing the vast sum of \$243,146,826, showing a per capita debt of \$170. This is one mortgage to every family in the State. Of course there are property holders in Kansas free of incumbrances; but they are offset by those who have two mortgages on their holdings. The neighboring State of Iowa made a showing very little better. If we leave the Western States and take a look at the older-settled communities in the East, we find that conditions are not improved. In fact they are worse. The longer a person lives under a faulty system, the worse his condition becomes.

Take the State of Connecticut, and no one will deny but what the inhabitants of that State are both frugal and industrious, yet we find that in 1890 17.18 per cent of the agriculturists occupied rented farms and 25.60 were mortgaged. With propriety we can count these two elements in the same category, and this gives us 43.28 per cent tenants. Of the population who live in towns 71.30 per cent are tenants. Massachusetts in 1890 had of tenant farmers 15.06; mortgaged, 25.93, making 40.93 per cent of her farmers who

were virtually tenants. The inhabitants of the towns made even a poorer showing; 67.28 per cent lived in rented houses; 12.87 per cent were mortgaged, making 80.15 per cent of her town population who were really tenants.

Taking these two States as showing the conditions prevailing in New England, let us turn and take a look at the Southern States. Tennessee had of hired farms 41.88 per cent and 1.89 per cent mortgaged, giving 43.75 per cent tenants. South Carolina, 61.49 per cent were hired and 3.08 per cent mortgaged, a total of 64.57 per cent tenants. If we summarize the situation, the result is startling. Aggregate wealth of the nation, estimated by the Census Bureau, \$65,037,091,197; population, 63,450,760; number of families, 12,690,152; number mortgaged, 2,250,000; number who occupy their own homes unencumbered, 2,190,152; number of tenants, 8,250,000; taking five as the average American family, it gives us 10,440,152 persons home owners, and leaves 52,200,760 persons who are tenants or tramps. That is, they are not home owners.

This vast aggregate, 52,200,760 persons, controls not more than 10 per cent of land values, or about \$3,954,454,434, while the 2,190,152 families, representing a population of 10,550,760, control \$35,590,089,899. This shows the rapidity with which property is passing into the hands of the few. In the United States 65.57 per cent of the population are tenants. This does not include the mortgagees. The percentage of tenantry in several of the leading nations is given to show that, aside from Great Britain, we have more tenants and fewer property owners than any other modern nation:

Australia	10.17	France	38.94
Belgium	33.62	Holland	24.17
Denmark	63.09	Sweden	17.32

This condition of affairs has come on us when we were living under the most favorable conditions. We have had thirty-two years of peace, during which period neither famine nor pestilence has invaded our domain. On the contrary, we have been blessed with abundant harvests. Free homesteads have been given from the bounty of the Government to those who wished to avail themselves of this generous offer. Our farmers have had advantage of a rich virgin soil, not worn-out land that needed fertilizing. The forest that covered the earth was abundant and at the disposal of the settler. We had the advantage of our mines from the surface; that is, we did not have to conduct operations at a great depth to obtain such minerals and mineral substances as we needed for coin or for commercial or manufacturing purposes.

Under these favorable conditions the wealth of the nation is passing into the hands of a few speculators, while poverty and distress prevail everywhere. A burthen of debt rests heavily on our industrial masses, and we are resorting to every known expedient in the bill now under consideration to wring more taxes from an already impoverished constituency. He who contemplates the situation has reason to fear that the future has nothing very encouraging for mankind.

The next generation can not hope to live under as favorable conditions as the present. The free lands which are now being dispensed to all applicants will be occupied. The forest will be largely consumed. The surface-ore bodies will be worked out and mining operations can only be conducted by incurring considerable expense and not under as favorable conditions as we enjoy. If we have made a failure under the advantageous circumstances surrounding us, the outlook for those who come after is not very bright.

The advocates of this bill do not want to discuss this phase of the situation. They content themselves by shouting "Calamity howler!" During the past four years they were incessant calamity howlers; in fact, they monopolized the business. They were justified in doing so by existing conditions. The situation has not improved. There is no prospect for an improvement in sight, and instead of shouting calamity, it would be more seemly for the advocates of the present order of things to endeavor to defend their position or apply themselves to remedying existing evils.

If the figures herein submitted are indicative of a calamity, neither myself nor the party of which I am a member is to blame. We did not compile them, and we had no part in producing the disastrous result which they undeniably indicate. Thirty years of tariff legislation finds the country in this deplorable condition. The People's Party now, as ever in the past, sounds a warning. The Dingley tariff bill will only intensify the conditions that now prevail.

#### LEGISLATION FOR THE SUGAR TRUST.

During the long sultry summer days that this tariff bill dragged its slow length along, we were told that there was a contest being waged between the House and the Senate over the sugar schedule; that the Senate was dominated by the sugar trust, and that the House was making a stand for the people. As these charges and countercharges came from the Republicans and were leveled at

each other, it is fair to assume that the contending parties knew what they were talking about and that they were both familiar with the workings of this giant association. The fact of the matter is both Houses worked in the interest of the trust. While this crimination and recrimination was being indulged in, the sugar men sugared their way through Congress. They will hereafter sugar the nation on such terms as they may dictate. A duty levied to encourage the growing of cane and beets and the production of sugar should receive general support, but this bill is constructed on such lines as will be most burdensome to the consumer and most advantageous to the monopolist.

A few years ago if a duty was levied on a commodity and home production stimulated, the field was open for any person to manufacture the article. In those days we had legitimate competition. This is all changed now; the tariff duty only aids the monopolist. No man or set of men in the United States can hope to go into the business of refining sugar unless they acknowledge the supremacy of the sugar trust. It is a lamentable fact that this industry can not be stimulated without building up a monopoly to oppress and rob the people. For over a year, in anticipation of this tariff, the trust has been laying in a supply of sugar. It is an easy task to determine the amount of sugar imported for home consumption. The following table, compiled from official sources, gives the importations for the year 1895:

Month.	Pounds.	Value.
January.....	180,301,830	\$3,542,059
February.....	235,488,605	4,608,702
March.....	306,020,254	7,438,728
April.....	377,937,290	6,976,230
May.....	538,064,910	10,484,230
June.....	388,808,648	7,750,751
July.....	304,712,608	7,211,960
August.....	255,778,388	4,867,103
September.....	204,519,984	4,000,296
October.....	285,563,135	5,711,000
November.....	159,638,142	3,406,344
December.....	182,470,911	3,739,460
Total.....	3,579,924,754	69,767,873

The following are the sugar importations for 1896:

Month.	Pounds.	Value.
January.....	263,905,129	\$5,807,178
February.....	337,982,690	7,895,441
March.....	435,501,882	10,807,738
April.....	388,381,830	9,991,876
May.....	544,106,432	13,817,477
June.....	472,637,376	11,863,068
July.....	320,175,291	7,304,079
August.....	292,507,454	6,341,541
September.....	387,747,806	8,385,641
October.....	308,094,309	6,524,904
November.....	172,312,018	3,625,180
December.....	184,122,514	3,700,432
Total.....	4,108,174,901	86,213,555

This is an excess of 528,350,147 pounds over the importations for 1895.

The importations for the six months commencing with January and ending with June 30, 1897, are as follows:

Month.	Pounds.	Value.
January.....	208,480,753	\$3,097,937
February.....	286,605,450	5,653,513
March.....	485,525,990	9,413,910
April.....	773,527,477	15,125,409
May.....	790,653,995	15,054,777
June.....	708,532,496	13,889,890
Total.....	3,253,346,161	63,115,406

Attention should be directed to the enormous importations for 1897. The surplus sugar was bought up in all lands, and it is now stored in the warehouses of the American Sugar Refining Company. Add the surplus for 1896 to the six months' importations for 1897, and it will be seen that the trust has a year's supply on hand. It gives them an aggregate of 3,731,696,308 pounds, and this is more than the total importations for 1895. It follows that the duty on sugar for the ensuing twelve months will be paid to the trust and not to the Government. It has the sugar in its possession, and the consumers can not use it without paying the trust the duty and as much more as it may see fit to exact. Aside from the legitimate profits on this business, they will exact from our

citizens not less than \$25,000,000 in this one direction, overcharge on sugar. This is only a small part of its gains since the 4th day of last March. Its stock has advanced \$40 per share. This represents an advance on their stock, common and preferred, of \$1,880,000,000. No corporation ever designed by man has held such a merciless grip as the sugar trust now has on the citizens of the United States.

#### IMPORTATIONS OF WOOL.

The manufacturing trust has not failed to take advantage of the situation. For the year 1896 their importations of wool amounted to 155,313,705 pounds of all grades. For the six months ending June 30, 1897, it rose to the unprecedented figure of 282,260,839 pounds. This being nearly twice the amount entered in 1890, it shows that they have on hand a two-years supply. Like the sugar trust, the duty will be charged up against all lines of woolen goods, but the impost will be paid to the trust, not to the Government. There is something in this talk about the tidal wave of prosperity that is to inundate the land. It has come; it is here; but the trusts, the combines, the monopolists are the beneficiaries, not the plain, common people. It never was intended for them, and they never will share in its benefits. The work of building up an aristocratic class and of making a poor and a dependent class will go on with accelerated speed.

#### INDUSTRIES DESTROYED.

We hear a great deal about the tariff act of 1890, and are frequently reminded of the fact that it built up the tin industry in the United States. As far as it went in that direction, let us give the bill full credit. Yet the tin industry was established merely in the interest of the manufacturers. It put no miners to work. After a close search we failed to find tin in paying quantities. The tin that we now manufacture we are compelled to import. While all this hurrah is made over our home-made tin, there is nothing said about the industries that the act of 1890 destroyed or at least seriously crippled.

The mining of manganese ore had grown to extensive proportions under the protection afforded by the Morrill tariff. The year 1890 we produced 25,684 tons, valued at \$219,050. That was the last year it remained on the protected list. It was placed on the free list under the McKinley tariff, retained there under the Wilson bill, and is still on the free list in the Dingley bill. The production has fallen off until last year the output amounted to but 9,979 tons, valued at \$88,812. Russia and South America are our chief competitors. Our American miners could not work against the serfs and the peons. Why is this? Why not build up the manganese industry? It will open up mines, put miners at work, and give employment to thousands of our own people. Ah, the manufacturers say they want cheap manganese. Then down with the American miner and up with the serf and the peon. This mineral is found in paying quantities in Alabama, California, Colorado, Georgia, Indian Territory, Missouri, Montana, New Jersey, North Carolina, Pennsylvania, South Carolina, Tennessee, Vermont, Virginia, and West Virginia.

The Seventeenth Annual Report on the Mineral Resources of the United States has this to say of our manganese deposits:

Georgia is again the largest manganese-producing State in the Union. Indian Territory: There seems to be little doubt of the existence of a large body of manganese ore of good quality at the locality named [Lehigh].

Missouri: Though deposits of both manganese and manganiferous iron ores are known to exist, but little of any of either grade has been produced in this State since 1881.

South Carolina: Quite extensive operations were undertaken in 1895 by the Southern Manganese Company. This property was carefully examined by Mr. H. B. C. Nitz, the well-known geologist of Baltimore. On Gold's place a shaft 28 feet in depth had been sunk on the vein. In descending, the black shales seem to grow richer in manganese, small streaks of ore appearing between the same until at a depth of 25 feet solid ore is reached in a matrix of shale and some quartzite, the foot-wall of hard yellow shale appearing on one side. That character of the ore was hard, crystalline, and very pure.

Tennessee: Manganese ore occurs in considerable quantities in Shady Valley, in the eastern part of Johnson County, Tenn., and near the Virginia line. At what is known as the Heberlin mine an opening was made some years ago and about 800 tons of a superior quality taken out, which still remains piled near the mouth of the mine. When work was stopped, the ore apparently continued in about the same quantity.

Next to the Heberlin the most important showing of manganese in Shady Valley is at the Wright property. During the past summer, 1895, an opening was made on the ore and about 150 tons taken out. The ore here is in massive form, about 6 feet under ground and about the same number of feet in thickness, and at a distance has somewhat the appearance of a seam of coal. When work on it was stopped, the ore showed no sign of exhaustion.

Virginia is in some respects the most important manganese-producing State in the Union. There are more known deposits of this mineral in Virginia; they are spread over a greater extent of territory, more localities have been worked, and more manganese has been raised than in any other State; and yet in 1895 it was the third State in rank as a manganese producer.

The foregoing are but a few of the many quotations that could be made from the last report on our mineral resources. Sufficient is copied to show that manganese is one of our abundant minerals; that it is found over a vast extent of country; that the mines are closed down and the ore lays on the dump. This paralysis



fell on the industry after the passage of the McKinley bill. What makes the contrast the more strange, the McKinley bill sought to establish the manufacture of tin, a metal we did not have, and destroyed the mining of manganese, a metal we had in the greatest abundance. Manganese mining is not the only mining industry destroyed by present tariff systems. It must be apparent to all if a miner produces a mineral which he must sell on the market, and while he is engaged in the occupation of extracting it compelled to pay a tariff tax on all the necessities of life, he is placed at a serious disadvantage if the output of his mine is not also protected.

If two men work side by side, one refining sugar, the other extracting ore from the earth, the sugar refiner has a protection on his commodity of almost 2 cents a pound, which the mines must pay. The miner receives no protection on the result of his labor. It requires no elucidation to make it apparent that the miner is at a disadvantage. When this runs through the whole list of commodities that the miner consumes or uses, his food, clothing, and the tools that he works with, the injustice of the situation becomes more evident. When the McKinley bill went into effect, nickel mining was becoming an established industry. It had been protected under the Morrill tariff, and the product of our mines in 1890 amounted to 223,488 tons, valued at \$134,093. Last year it declined to 17,000 tons, valued at \$4,000. The McKinley bill put the metal on the free list, and since that time the production has been falling off.

Of late years nickel has acquired a prominent place in the arts. Since the discovery was made that it would unite with iron and that this composition would harden the latter metal, it has been used very extensively in the manufacture of plates for our new battle ships. Our entire supply is drawn from Canada, a British possession. In case of war with England this source would be cut off, and as our own mines are not developed, we would have serious trouble in order to finish a modern man-of-war. The promptings of patriotism, if through no other motive, should demand an extension of the protective principle to the nickel miner. A syndicate in Ohio controls the Canadian mines. It is said of them that they contribute liberally to the Republican campaign fund and in turn for their benefit nickel mining in the United States is discouraged. Nickel is found in Nevada, Arkansas, North Carolina, Missouri, South Dakota, Minnesota, Oregon, Washington, and California. Missouri last year produced 10,302 pounds of nickel from one mine, the La Motte. The deposits in Oregon and Nevada are known to be very extensive.

#### THE LEAD SCHEDULE.

The lead schedule was framed for the express purpose of encouraging fraud on the Government. Let us take a look at the queer provisions of this act. The duties shall be estimated at the port of entry. Every lead miner in the United States knows that it will be impossible to determine in that manner the quantity of lead in what is known as the hard lead ores of the mountainous regions in Mexico or the United States. Besides, an estimate is an irresponsible method of determining quantity. This is inexcusable, in view of the fact that there is a safe and reliable method of determining the quantity—by means of an assay, as is done now, though the law is not enforced. After the ore is estimated it is shipped to the smelters and passes into the control of the lead trust. Here it is sampled, and on this sample made by the smelter people the duty is adjusted. If it is set forth that the lead is intended for shipment out of the country, the duty is remitted. If a statement is made that it is manufactured into articles intended for shipment out of the country, no duty is paid. That it is used in competition with American lead when it arrives at the furnace as a flux and for other purposes has never been denied.

Thus we see that, notwithstanding the fact that the law gives us a duty of 1½ cents a pound, it is hedged round with so many conditions that we really have free lead. Manufactured lead pays a duty of 2½ cents a pound at the port of entry. Spot cash, no bonded warehouse foolishness, no rebate on exportation. The manufacturer is protected; the miner is not. For the benefit of the manufacturer the lead-mining industry is being sorely crippled, just as nickel and manganese mining has been almost completely destroyed. The Dingley bill is not fair in its provisions; it protects the Eastern manufacturer, but the farmer, the people of the West and South, receive no adequate recognition. While it builds a protective wall around some industries, it is designed to destroy others. For these reasons this bill is not worthy of support, but to this can be added even, if possible, the more powerful reason that we want bimetalism before we can hope to accomplish anything by means of a tariff revision. It may be time to point out the inconsistencies in our tariff legislation, and to show that it is manipulated in the interest of certain favored classes, but the fact should ever be pressed home that a return to the gold and silver coinage of the better days of the Republic is the first essential to prosperity.

#### The Tariff and Silver.

#### SPEECH

OF

HON. HENRY R. GIBSON,

OF TENNESSEE.

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897,

On the report of the committee of conference on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. GIBSON said:

Mr. SPEAKER: The charge that this bill is advantageous to the sugar trust is so easily disproven that I am astonished that men who profess to be accurate in their statements, and desire the public to accept their assertions as reasonable and truthful, should make the charges against it which they are making. It has been clearly shown by men in this House, whose experience and study of the subject justify us in accepting their judgment and conclusions, that the bill, as completed by the conference committee, destroys the advantages which the sugar trusts gained under the Wilson tariff law, and does not give to the sugar refiners or to the trusts any advantages in excess of the absolute cost of refining.

This statement is made by men whose judgment on this subject can not be called in question, and whose high reputation as men of honor precludes absolutely a question or a doubt as to the truthfulness of their assertions. The charge that the bill is advantageous to the sugar trust is made for purely partisan purposes, the object being to discredit, with people, who do not understand this complex subject, the reputation of a bill which will be more satisfactory to the masses of the United States than any tariff law which has been placed upon the statute books in the memory of the present generation.

#### WHY SUGAR-TRUST STOCK ADVANCED.

The men who are charging that the bill is still advantageous to the sugar trust, even under the changes made by the conference, which are confessedly disadvantageous to the refiners, base their charge upon the fact that sugar-trust stock advanced in price during the closing days of the consideration of the bill, and especially during the days immediately following the public announcement of the agreement of the conference committee, by which the final rates named by the bill were fixed. This charge, while seeming plausible to those who do not understand the facts, is easily shown to be untrue when the facts are known; and the cause of the advance in the price of sugar-trust stock is as easily shown to be entirely foreign to the action of the conference committee.

That the advance in the price of sugar-trust stock which followed the action of the conference committee was due to causes over which that committee had no control is so clearly shown by a Washington dispatch published in the Cincinnati Commercial Tribune that I take the liberty of inserting it as a part of my speech, in the belief that it will show clearly to every intelligent man who reads it, first, that the Dingley bill is not advantageous to the sugar trust, and second, that the advance in sugar-trust stock was not due to advantages which the bill gives to the trust or to refiners. That article is as follows:

SUGAR WENT UP—EXPLANATION OF THE RISE IN TRUST STOCK—NOT DUE TO THE TARIFF, BUT TO HEAVY IMPORTATIONS MADE PREVIOUSLY—REVENUE TAX SUGGESTED—THIS SCARE DISPOSED OF, THERE WAS A SUDDEN RISE, WITH BIG PROFITS CERTAIN.

[Special dispatch to Commercial Tribune.]

Why has the sugar-trust stock advanced so enormously during the past fortnight, and especially since the action of the tariff conference on this subject became known?

Does the tariff bill give to the sugar trust any undue advantages; and if not, is there any other cause for the advance in the stock of the trust?

These are inquiries which every citizen is making, and properly. They are pertinent to the occasion. It is right that he should make them, and it is right that they should be answered, and answered frankly.

That sugar stock has advanced as it became apparent that the tariff bill was approaching completion is undeniable. That it did advance with leaps and bounds when the action of the conference became known is equally true.

Now, what is the cause? Does the bill give the trust any secret and mysterious advantages of which the public does not know in detail? Are Chairman DINGLEY, Representative PAYNE, Senator ALLISON, and others mistaken when they say that it does not? The people will not believe that these men, in whose long public career there has been no suspicion of dishonesty, are willfully and knowingly mistating the facts or making assertions that are not based upon facts, or at least what they believe to be facts.

These men assert that the tariff rates of the bill give the refiners no more protection than the actual cost of refining, viz, one-eighth of a cent per pound. Nobody who knows the men making this assertion will believe that they are stating other than what they believe to be truth. The question, then, is whether they are mistaken—whether, to use the term of the day, they have been "buncoed" by the sugar trust or by experts upon whom they have to rely for their information? If not, is there any other cause which would legitimately result in the advance in sugar-trust stock, as has been the case?

It was generally conceded when the bill passed the House that it was not in any way advantageous to the trust, but that, on the contrary, it took away from it the advantage which it had under the Wilson law.

#### HOUSE DIFFERENTIAL.

As the bill left the House, the rates on refined sugar were 12½ cents per 100 pounds higher than the rates on raw sugar. Of course the rates on different grades of raw sugar are different, but taking the number of pounds of any grade which were required to make 100 pounds of refined sugar, it was found that the rates were on an average 12½ cents per 100 pounds less than those on refined sugar, or one-eighth of a cent per pound difference between raw sugar when imported and refined sugar when imported, thus giving them an opportunity to import raw sugar at one-eighth of a cent a pound less than the rates at which refined sugar can be imported. Since it is generally conceded that the cost of refining sugar is not less than about one-eighth of a cent a pound, it is apparent that the rates really given to the sugar refiners are simply the bare difference between refined and unrefined sugars, or the cost of refining.

While the rates adopted by the Senate were undoubtedly more advantageous to the sugar refiners, those finally agreed upon by the conferees made precisely the same difference between raw and refined sugars that the House bill made when it was passed by that body. The conference report did increase the rates on refined sugar slightly, but it also increased the rates on raw sugar, thus making the difference in the rate of duty between raw and refined, or the "differential," as it is called, precisely what the House bill made it originally.

If, however, the conference report really gave the sugar trust no advantage, why was it that sugar-trust stock advanced during the time that the bill was in consideration by the conferees and after it was made public? This is a pertinent and proper question.

#### EASY TO ANSWER.

The answer to this is simple enough. The sugar trust, knowing that the new bill would certainly advance the rate of duty on sugar as a protection to American producers, has been bringing into the country as rapidly as possible sugar in enormous quantities, getting it in, of course, under the comparatively low rates of the Wilson law. It has scoured the world for sugar, and had in stock by the time the conference report was presented to the public over 70,000 tons of raw sugar, or, in round numbers, 1,500,000,000 pounds, enough sugar with which to load 70,000 cars or 3,500 freight trains of 20 cars each.

It was thus perfectly apparent that the trust would make whatever profit there was between the tariff rates of the Wilson law and the increased tariff rates named by the Dingley law, or an aggregate profit calculated at about \$12,000,000. Is it surprising that sugar-trust stock went up in view of the fact that this organization would make upon sugar which it had brought into the country \$12,000,000 by the mere advance which it could make on its stock of sugar after the final passage of the bill?

The explanation of the general advance in the stocks of the trust, while good as far as it goes, does not account fully for this remarkable advance as soon as the action of the conferees became known. This advance is, however, as readily and plainly accounted for. Secretary Gage had recommended to Congress the placing of an internal-revenue tax of 1 cent per pound on all unrefined sugars in the United States when the new tariff law should go into effect, the object being to compel the trust to pay the Government a tax of 1 cent per pound on all this 1,500,000,000 pounds of sugar which it had accumulated waiting for the advance which it could make by the new tariff. Had Secretary Gage's recommendation been accepted by Congress, it would have compelled the trust to pay in internal-revenue taxes probably \$15,000,000 upon the sugar which it had piled up in its warehouses. That it was possible that it might be inserted by the conferees, even though not adopted by the House or Senate, is shown by the fact that the House and Senate have since accepted the retaliatory amendment which was inserted by the conferees, although not prepared by the House or Senate.

#### REASONS APPARENT.

That the uncertainty as to whether this proposed tax on the sugar in the hands of the trust would or would not be imposed made many investors hesitate is apparent, and that the certainty that it would not be imposed assured them of the prospective ability of the trust to pay large dividends during the coming year is equally apparent. This assurance of course came when the action of the conferees was made public and it was known that Secretary Gage's recommendation had not been heeded. This knowledge showed fully and conclusively to those following the subject closely, first, that the sugar trust would make this large profit by reason of the increased duty on sugar, and, second, that it would not be compelled to pay out any of that profit in the proposed internal-revenue tax upon its sugar in stock, and those who had calculated the profits which it would make during the coming year on this great accumulation of sugar saw that the profits would be great and the dividends large.

The result was that the advance in sugar stock, about which there has been so much talk and denunciation, was not due to any permanent advantage which the new tariff gives to the trust, for, on the contrary, the difference between raw and refined sugars under the new bill, as already indicated, is 12½ cents per 100 pounds, while under the Wilson law it is 22½ cents per 100 pounds.

This statement so clearly answers the charge that the advance in sugar-trust stock is due to any advantages given by the rates named in the bill that I do not think it necessary to comment further on the subject. I do desire to add, however, that had the retrospective features of the bill as it passed the House been retained by the Senate and made a law, it doubtless would have prevented these enormous importations of sugar, made to avoid the increased tariff rates, and upon which the trust must profit, as do all other importers who have brought in other stocks of goods since the retrospective clause was stricken out of the bill by the Senate.

I regret very much, Mr. Speaker, that this wholesome feature of the bill as it passed the House was stricken out, because its retention would have prevented much of the anticipatory importations and would not have given to the importers an opportunity to rob this bill of its legitimate revenues during the first few months of its work, or have given to its opponents this flimsy excuse for an attack upon it. The very men who are now making this attack are the ones who opposed the retrospective clause, which, if passed, would have deprived them of this very objection.

#### TARIFF PLEDGES PROMPTLY REDEEMED.

I am gratified, Mr. Speaker, that the Republican party in this Congress has been able to complete and put upon the statute books a thoroughly protective tariff measure more promptly than any other party. No President since George Washington has had an opportunity to attach his signature to a general tariff measure within as brief a period from the date of his inauguration as will William McKinley. The Republican party has thus carried out one of the pledges of its platform made in St. Louis just a year ago, and done so more promptly than ever before in the history of political parties in the United States.

There were other pledges in that platform, Mr. Speaker, of equal importance, and those the Republican party is carrying out with as much attention, faithfulness, and promptness as it has the tariff pledge. Recent dispatches from abroad show that the representatives of this Administration, who are seeking to redeem another of the pledges of that Republican platform by bringing about an international conference on the silver question, are likely to be successful. The rapid developments in all parts of the world upon this subject since the adoption of that platform and its endorsement by the people of the United States in November last have fully justified the belief that international action can furnish the only road to the rehabilitation of silver, and that the views of the Republicans on this subject, as expressed in the last campaign, were fully justified.

Despite the assertions of the friends of the free and unlimited coinage of silver that the prices of agricultural products were governed by the price of silver, and that free coinage was the only hope for the farmer, prices of farm products, since these assertions were so freely made last fall, have steadily advanced while the price of silver has just as steadily declined. Despite the fact that the country refused to give free coinage to silver at a ratio widely different from the commercial ratio of silver, and despite the fact that the commercial value of the silver contained in a dollar has now fallen below 45 cents, wheat, corn, tobacco, wool, sheep, cattle, and other farm products have meantime advanced very materially in price.

#### REPUBLICAN CONTENTION ON THE SILVER QUESTION FULLY CONFIRMED.

This shows that the judgment of the Republican party, which has framed the tariff bill we are now about to pass, and which, in conjunction with this tariff plank, expressed equally clear convictions upon the currency question, was right, and that the people of the United States made no mistake in supporting that platform, and the party which framed it, and which is now carrying out its pledges.

That the views of the Republican party on the silver question were fully justified is shown not only by the fact that the arguments of the friends of silver have been proved false in our own experience of the past few months, but also by the fact that the nations of the world which at that time were upon a silver basis are rapidly hastening to adopt the gold standard. Russia, Peru, and Japan, which were classed during the discussion last fall as silver countries, have, even in the few months since that discussion, abandoned free silver and adopted the gold standard. And now advices from Mexico show that the recent fall in the price of silver and the fluctuations in its value are so seriously affecting business there that it may be necessary for Mexico to follow the example which Japan set in the present year and also adopt the gold standard.

In that connection I desire to insert in the RECORD a brief dispatch from the City of Mexico, published in the Washington Post, and to follow it with a discussion of this question by one of the most distinguished adopted citizens of this country, a man whose career as a member of Congress and a Cabinet officer, and whose constant interest in the affairs of the nation entitle his utterances upon this subject to the most careful consideration. I refer to the Hon. Carl Schurz, whose masterly address upon this subject delivered at Chicago a few months since attracted wide attention and fully justifies its reproduction at the present time, in view of the recent developments upon the subject which it then discussed. I also add certain other brief statements bearing upon this subject:

**SILVER IS WORRYING MEXICO—DROP IN WHITE METAL'S VALUE SENDS EXCHANGE KETING UPWARD—LOSS TO GOVERNMENT CORPORATIONS HAVING GOLD INTEREST TO MEET ABROAD WILL BE LARGE—DOES MORE HARM THAN LOW PRICES.**

The drop in silver announced to-day created much comment here in financial and business circles. The exchange on New York rose to 118, and even on the street to 120, and London exchange was quoted at 22 pence. If silver remains down, the loss to corporations having gold interest to meet abroad will be large, and at the present basis gold interest on Government loans abroad will require \$1,000,000 more in silver per annum. Many orders for goods abroad have been canceled, merchants desiring to see how the exchange is going.

It is generally believed that the sudden fall in silver is due to the unloading by large bullion holders, coupled with new gold discoveries and the continued small demand in India for silver. The fluctuation in exchange does more harm than low prices, as it makes impossible all calculations. The continued low price of silver will revive the talk of adopting the gold standard,



which would be ruinous to the new manufacturing industries. Bankers while anticipating even lower prices for silver, believe there will be a reaction to a price that will permit something like steadiness in exchange and stability in business operations.

**SPEECH OF THE HON. CARL SCHURZ, DELIVERED AT CENTRAL MUSIC HALL, SEPTEMBER 5, 1896, UNDER THE AUSPICES OF THE AMERICAN HONEST-MONEY LEAGUE OF CHICAGO, ILL.**

**FELLOW-CITIZENS:** I have come from the East to the West to speak to you for honest money. I do not imagine myself to be in an "enemy's country." There is to me no enemy's country within the boundaries of this Republic. Wherever I am among Americans I am among fellow-citizens and friends, bound together by common interests and a common patriotism. In this spirit I shall discuss the question of the day. I shall not deal in financial philosophy, but in hard and dry facts.

#### DISCONTENT AND ITS CAUSES.

There are sporadic discontents in the country, partly genuine, partly produced by artificial agitation. They may be specified thus: There are farmers who complain of the low prices of agricultural products; laboring men complaining of a lack of remunerative employment; men in all sorts of pursuits complaining of a general business stagnation and of a scarcity of money. In some parts of the country, especially the South and West, there are many people complaining of a want of capital and a too high rate of interest. The cry for more money is the favorite cry. These are the principal and the most definite complaints. Beyond them, however, an impression has been spread by agitators that an organized conspiracy of moneyed men, mainly great bankers, in America and in Europe, backed by the monarchs and aristocracies of the Old World, is seeking the general establishment of the gold standard of value to monopolize or "corner" the world's money, to the general detriment.

#### THE CHARGE OF CONSPIRACY.

All this has found definite expression in the following declaration of the Chicago platform:

"We declare that the act of 1873, demonetizing silver without the knowledge or approval of the American people, has resulted in the appreciation of gold and a corresponding fall in the price of commodities produced by the people; a heavy increase in the burden of taxation and of all debts, public and private; the enrichment of the money-lending class at home and abroad, prostration of industry and impoverishment of the people."

Mark well that all these evil consequences are ascribed to the demonetization of silver in the United States alone—not to its demonetization anywhere else. This is to justify the presentation, as a sufficient remedy, of the free coinage of silver in the United States alone, "without waiting for the aid or consent of any other nation." This platform is amplified by free-coinage orators, who tell us that the act of 1873, called "the crime of 1873," has surreptitiously "wiped out" one-half of the people's money, namely, silver; that in consequence the remaining half of our metallic money, namely, gold, as a basis of the whole financial structure, has to do the same business that formerly was done by gold and silver together; that thereby gold has risen to about double its former purchasing power, the gold dollar being virtually a 200-cent dollar; that the man who produces things for sale is thus being robbed of half the price, while debts payable on the gold basis have become twice as heavy, and that this fall of prices and increase of burdens are enriching the money changers and oppressing the people.

#### FALL OF PRICES BEFORE 1873.

Are these complaints well founded? Look at facts which nobody disputes. That there has been a considerable fall in the prices of many articles since 1873 is certainly true. But was this fall caused by the so-called demonetization of silver through the act of 1873? Now, not to speak of other periods of our history, such as the period from 1846 to 1851, everybody knows that there was a considerable fall of prices, not only as to agricultural products—cotton, for instance, dropped from \$1 a pound in 1864 to 17 cents in 1871—but in many kinds of industrial products before 1873. What happened before 1873 can not have been caused by what happened in 1873. This is clear. The shrinkage after 1873 may therefore have been caused by something else.

Another thing is equally clear. Whenever a change in the prices of commodities is caused by a change in supply or demand, or both, then it may affect different articles differently. Thus wheat may rise in price, the supply being proportionately short, while at the same time cotton may decline in price, the supply being proportionately abundant. But when a change of prices takes place in consequence of a great change in the purchasing power of the money of the country, especially when that change is sudden, then the effect must be equal, or at least approximately so, as to all articles that are bought or sold with that money. If by the so-called demonetization of silver in 1873 the gold dollar, or the dollar on the gold basis, became a 200-cent dollar at all, then it became a 200-cent dollar at once and for everything. It could not possibly be at the same time a 200-cent dollar for wheat and a 150-cent dollar for coal, and a 150-cent dollar for cotton, and a 100-cent dollar for corn or for shovels. I challenge anyone to gainsay this.

#### MARKETS AFTER 1873.

Now for the facts. The act of 1873 in question became a law on the 12th of February. What was the effect? Wheat, rye, oats, and corn rose above the price of 1872, while cotton declined. In 1874 wheat dropped a little; corn made a jump upward; cotton declined; oats and rye rose. In 1875 there was a general decline. In 1876 there was a rise in wheat and a decline in corn, oats, rye, and cotton. In 1877 there was another rise in wheat, carrying the price above that of 1870 and up to that of 1871, years preceding the act of 1873. Evidently so far the 200-cent dollar had not made its mark at all. But I will admit the possible plea that, as they say, the act of 1873 having been passed in secret, people did not know anything about it, and prices remained measurably steady, in ignorance of what dreadful things had happened. If so, then it would appear that, if the knowing ones had only kept still about it, the gold dollar would have modestly remained a 100-cent dollar and nobody would have been hurt.

But, seriously speaking, it may be said that when the act of 1873 was passed we were still using exclusively paper money; that neither gold nor silver was in circulation, and that therefore the demonetization would not be felt. Very well. But, then, in 1870 specie payments were resumed, metallic money circulated again, and, more than that, the cry about "the crime of 1873" resounded in Congress and in the country. Then, at last, the 200-cent gold dollar had its opportunity. Prices could no longer plead ignorance. What happened? In 1880 wheat rose above the price of 1870; likewise corn, cotton, and oats. In 1881 wheat rose again; also corn, oats, and cotton. In 1882 wheat and cotton declined, while corn and oats rose. The reports here given are those of the New York market. They may vary somewhat from the reports of farm prices, but they present the rises and declines of prices with substantial correctness.

#### NO TRACE OF EFFECT CLAIMED.

These facts prove conclusively to every sane mind that for nine years after the act of 1873—six years before and three years after the resumption of specie payments—the prices of the agricultural staples mentioned, being in most

instances considerably above 1860, show absolutely no trace of any such effect as would have been produced upon them had a great and sudden change in the purchasing power of the money of the country taken place; that it would be childish to pretend that but for the act of 1873 those prices would be 100, or 50, or 25, or 10 per cent higher, and that therefore all this talk about the gold dollar having become a 200-cent dollar, or a 150-cent dollar, or a 125-cent dollar, is—pardon the expression—arrant nonsense. Since 1882 the price of wheat has indeed very much declined, although in 1891 it reached once more in New York \$1.00, while corn sold, in 1891, 2, 3, and 4 cents higher than in 1879. But if the act of 1873, which had it really enhanced the purchasing power of the dollar, would have done so promptly and uniformly, produced no such effect for nine years after its enactment, it would be absurd to say that it produces it twenty years after its enactment. Is not this clear?

If, however, there be somebody believing that in spite of these facts the demonetization of silver by the act of 1873 must in some mysterious way have done something to depress prices, I meet him with the affirmation that the silver dollar was practically demonetized long before 1873. To judge from the speeches of our free-coinage orators, the American people must before 1873 have fairly wallowed in silver dollars. What is the fact? President Jefferson stopped the coinage of silver dollars in 1806. From 1793 to 1878, aside from fractional currency—which since 1853 was only limited legal tender—only about 8,000,000 silver dollars were coined. They were so scarce that you would hardly ever see one except in a curiosity shop as a rare coin.

#### CONSTANT TROUBLE WITH RATIO.

There was constant trouble with the legal ratio between gold and silver, which could not be so fixed as to keep the two metals together in circulation. First one of them would be driven out of the country and then the other. Meanwhile, over \$1,000,000,000 of gold coin was coined, and since 1853 gold was substantially the only full legal-tender money in actual circulation. And those were exceptionally prosperous times. Then the civil war came and swept all our metallic money out of sight. Paper money took its place, and in that condition we were in 1873, when the famous act of 1873 was passed.

What, then, was in reality that law that has since been so fiercely denounced as "the crime of 1873"? To judge by the declarations of the free-coinage orators, it must have been a law annihilating at one fell swoop one-half of the money circulating among the people. Did it do that? Why, it was simply an act revising our coinage laws and providing, among other things, that certain silver coins should be struck to be legal tender in the payment of debts only to a small amount. The standard silver dollar, that had practically been out of use since President Jefferson, in 1806, had stopped its coinage, was simply not mentioned in the enumeration. That is all. The act of 1873, therefore, did not create a new state of things, but simply recognized a state of things which had existed for many, many years. It did thereby not only not destroy half the money of the country, but not a single dollar of it.

#### WAS IT SECRETLY PASSED?

But, I hear myself asked, if this is so, why was this act of 1873 passed secretly, surreptitiously, stealthily? For silver orators have been persistently dining into the popular ear for many years, until millions believed it, the story that the silver dollar was "assassinated" through the law of 1873 by some dark, corrupt plot. This fable has been so often and so authoritatively disproved that I am unwilling to take it up again in detail. Senator Sherman did that recently in a most conclusive manner. I will only add that I was a member of the Senate at the time and know whereof I affirm; and I emphatically pronounce all the stories about the act of 1873 being passed surreptitiously; about Senators and members being somehow hypnotized, so that they did not know what they were doing; about some Englishman being on the ground with much money to promote the demonetization of silver, and so on, as wholly and unqualifiedly false. I wish to be scrupulously courteous to my opponents. But as a conscientious student of contemporaneous history, I am bound to say that in the forty years during which I have been an attentive observer of public affairs I have never witnessed or heard of such unscrupulous, shameless, persistent, audacious, cumulative, gigantic lying as has been and is now being done with regard to the act of 1873, its origin, its nature, and its consequences.

#### WHY IT WAS NOT TALKED ABOUT.

How did it happen that the act of 1873 did not attract more popular attention at the time? Simply because the dropping of the obsolete silver dollar from the coinage was regarded by everybody taking an interest in such matters as the mere recording of an accomplished fact, as a matter of course, just as much so as a law would have been providing that the old flintlock should no longer be used in the Army. And how did it happen that a few years afterwards such an uproar arose about it? The reason for that, too, was very simple. In 1873 the market value of silver, although already yielding, was still high. The silver in the silver dollar was worth \$1.02. The silver mine owner did not care to take \$1.02 to the mint and get only \$1 back for it. He was then enthusiastic for gold. But a few years later silver had declined in market value considerably, and when the silver miner might have taken 90 cents' worth of silver to the mint and got for it \$1, he was enthusiastic for silver, and he grew more and more enthusiastic the more silver declined in the market, and the more profit free coinage would have given him.

The silver mine owner is no doubt a great and good man, but he is not the most disinterested of philanthropists. He knows on which side his bread is buttered. Finding the act of 1873 in his way, he discovered that act to have been a heinous crime, not against the mining millionaires, but against the common people. Another class of persons joined in the cry, namely, those who had worked for an inflation of our irredeemable paper money, who had opposed the resumption of specie payments, and now favored the silver dollar, because the silver in it was worth in the market less than a gold dollar, and its coinage would therefore furnish what they called "cheap money." And then began that campaign of falsehood, which in shamelessness of imposture has, within my knowledge, never had its equal.

#### INCREASE IN CIRCULATION FOLLOWS THE "CRIME."

Now, mark what followed. Cowed by the uproarious outcry which was started by the silver miners and taken up by the "cheap-money" men, Congress passed two laws, one in 1878, the other in 1890, in pursuance of which over 420,000,000 silver dollars were added to our currency, more than fifty times as many dollars as had ever been coined before, besides a large addition to our subsidiary silver coins. Our paper money was largely increased, so that while in 1873, the year in which the American people were said to have been robbed of half their money—while in 1873, I say, we had \$74,000,000 of money in the United States, we had \$237,000,000 in 1890, nearly three times as much; and while in 1873 the circulation was \$18.94 per capita, it was \$28.96 per capita in 1890—fifty times as many silver dollars, and many times more money of all kinds than this country had ever had in its most prosperous days; and yet the price of silver in the market kept on falling, and the prices of many commodities, agricultural staples included, continued in their declining tendency.

Now analyze this case. Upon what ground do the silver advocates assert that the so-called demonetization of silver depressed prices? According to their own reasoning, because there has not been sufficient money to sustain prices. Sustain what prices? Those prevailing before 1873. But there is now three times as much money as there was in 1873, and a much higher per

capita circulation. Well, what becomes of their argument? Some of the silver philosophers have invented a more mysterious phrase—that prices have gone down because by the act of 1873 the "money of ultimate redemption" had been curtailed, only gold being available for this purpose. But according to the Treasury statistics we had in 1873 only \$25,000,000 of coin, including subsidiary silver, in the country, and now we have much more—\$900,000,000 of gold alone, or more than twenty-four times as much "money of ultimate redemption" as in 1873. And yet prices are low. The man whom such facts do not convince that the decline of prices can not have been caused by any effect produced upon our currency by the act of 1873 must have a skull so thick that a triphammer would not drive a sound conclusion through it.

#### CAUSES OF FALL IN PRICES.

But what is it, then, that has caused the decline of prices? I appeal to your common sense. Do you think that when one man, aided by machinery, does as much productive work as formerly ten or more did, and when our modern means of transportation carry the product from the producer to the consumer with five times the speed, at one-fifth the cost, and when in the transmission of intelligence time is quite and cost almost annihilated, do you think that then the product of human labor should not in due proportion become cheaper? If it did not, then modern civilization would, in one of its most important and beneficent functions, be a flat failure. For what is the inventive genius of the age that devotes itself to practical objects engaged in; what else than in devising and developing means and methods by which the things required by mankind for the sustenance and comfort of life be made better and more easily attainable; that is, cheaper?

The farmer in the United States welcomed the agricultural machinery which helps him in planting, raising, and harvesting his crop. He welcomed the railroad, the steamboat, the low freights, the telegraph, which shortened the distance between his farm and the market, and the banking arrangements required for moving and selling his product. But as nearly all our farmers had the same encouragement, so it followed quite naturally that the wheat crop of this country increased from an annual average of 312,000,000 bushels between 1870 and 1880 to an annual average of 475,000,000 bushels between 1880 and 1895. But also foreign countries had the encouraging benefit.

New wheat fields were opened in Russia and the Argentine Republic and elsewhere, and according to Bradstreet's (a very competent authority) the wheat product of the world grew from 1889 to 1894 no less than 429,000,000 bushels, while the world's consumption is estimated to increase only 12,000,000 bushels annually. When the increase of the world's supply thus gains upon the increase of the world's demands, is it a wonder that in the world's market, which rules the price for all exporting countries, prices should have declined? Is not this an infinitely more rational explanation of the decline in prices than to ascribe that decline to the so-called demonetization law of 1873, which practically demonetized nothing, but was actually followed by an increase of our currency, nearly trebling its volume, and making the per capita far, far higher than it ever had been before, and higher than it is in any other country except one? You might as well ascribe our civil war to the great comet of 1811.

#### TRUE SOURCE OF DISCONTENT.

Permit me here a word on what, in my humble opinion, is the true source of the discontent so far as it is entertained by honest men. The new economic conditions somewhat suddenly created in our time by the vast improvements in the means and methods of production and transportation have surprised, puzzled, and perplexed the minds of many well-meaning people. They became alarmed at the naturally and necessarily following decline of the prices of agricultural as well as industrial products, and at the general tendency of profits toward a minimum. Some of them found it very hard to adapt their ways of thinking and doing to the new state of things. They disliked to see in all the change a natural evolution of permanent effect. They easily yielded to the impression that there must be something wrong at the bottom of it all, some conspiracy of wealth, some hocus-pocus with the money of the country, just as once every cattle disease was ascribed to witchcraft, and as even in this century in some places the appearance of cholera was attributed to a conspiracy of the Jews to poison the wells.

Honest people in that state of mind fell an easy prey to the equally honest financial quack as well as to the dishonest demagogue. Thus they were readily persuaded that the so-called demonetization of silver was the true cause of their troubles, and that the free coinage of silver would be the true remedy, while thorough inquiry and calm reasoning would have convinced them that the true cause is the progress of civilization in production and transportation, and that the true remedy can be found only in the adaptation of our schemes of husbandry and our business methods to that progress. This is proved by actual experience. There are a great many prosperous farmers to-day in spite of low prices. They are farming farmers. There are others who do not prosper. They are largely the political farmers. The reason is this: The successful farming farmers have been studying the most economical methods of production, the most profitable varieties of farm products, and the changing opportunities offered by the market, while the political farmers have studied Coin's Financial School and the question how free coinage would give them double prices for what they would have raised if their financial studies had not absorbed so much of their time and attention.

#### BRYAN'S REMEDY MEANS TROUBLE.

Candid reflection will convince them that the remedy urged by the free-coinage men, being based upon a false diagnosis, will not only not cure but immensely aggravate the trouble complained of. It is a case of jumping from the frying pan into the fire. The Bryan remedy demands a radical change of the basis of our monetary system. What is that system? The currency of the United States consists of gold coin, silver coin, and five different kinds of paper money, these all redeemable in gold or in some roundabout way sustained by gold. Besides, there is the national-bank currency, redeemable by the banks in greenbacks, the greenbacks then being redeemable in gold.

It is true, nominally, various descriptions of our paper money, the greenbacks and the Treasury notes, are redeemable in "coin," meaning, literally, gold or silver, at the discretion of the Government, but practically they have always been held to be redeemable in gold if the holder presenting them for redemption so desired. And this construction has been substantially confirmed by the law of 1890. That law directed the purchase of 4,500,000 ounces of silver a month and the issue of Treasury notes therefor, such Treasury notes to be redeemable in gold or silver coin; and in connection therewith the law declared it to be "the established policy of the United States to maintain the two metals at a parity with each other, upon the present legal ratio, or such ratio as may be provided by law."

Fix your minds upon these words. We wish the United States to be regarded as an honest and honorable nation. If so, then this declaration made through its Government must be regarded as an honest declaration. This declaration could honestly have but one meaning, namely, this: The Government said, "Here, I issue paper money to be redeemable in gold or silver coin at my discretion, but lest anybody be disturbed by doubt as to the mercantile value of one of these metals, I hereby solemnly declare it to be my established policy to maintain these two metals at a parity; that is, equal to the more valuable of the two. You can therefore take my paper money with full confidence in my honor and integrity."

#### A SOLEMN OBLIGATION.

I repeat, if ours is an honest and honorable Government, the declaration could not possibly have any other meaning. I therefore affirm and maintain that it constituted a clear and solemn pledge on the part of the United States to keep the silver dollar in its purchasing power as good as the gold dollar, and to do all things that might be necessary to that end. Whoever denies this meaning of the declaration pronounces the United States a cheat, a "confidence" concern, issuing promises to pay under false pretenses.

How is the Government of the United States to make good that pledge? It would be an easy task, indeed, if the silver contained in the silver dollar were in the market, as merchandise, worth as much as the gold contained in the gold dollar. But, for reasons which I shall mention hereafter, the market value of silver has fallen about 50 per cent, so that the silver contained in the silver dollar can be bought in the market, as merchandise, for little more than 50 cents in gold. What is the problem confronting the Government now? Some financial philosophers of the flat persuasion say that when the Government has put its stamp upon the silver dollar, and made it a legal tender, it created in it a value as good as that of the gold dollar, and its duty is fulfilled, once and forever. Is this true?

#### OUR EXPERIENCE WITH THE GREENBACK.

Soon after the beginning of our civil war the Government issued the greenback. The greenback dollar was a bit of paper on which was printed the promise of the Government to pay the holder \$1—meaning \$1 in gold coin, for nobody thought of anything else. It bore the Government stamp and was made a legal tender for public and private dues, except duties on imports. At first, when there were but few greenbacks out, and it was hoped that the war would speedily be ended and the Government would soon be in condition to redeem the greenback, that greenback passed at par with gold, in spite of its not being receivable for duties on imports. But as the war continued and the quantity of greenbacks grew larger and larger, the public confidence as to the Government soon becoming able to redeem them was shaken, and the greenback in spite of the Government stamp and its legal-tender qualities, fell in purchasing power compared with gold. Gold rose to a premium as against the greenback and went out of circulation. This gold premium rose and rose as the quantity of greenbacks out increased, and at the same time the period when the Government would be able to redeem them seemed further removed.

But the civil war came to a happy ending, the issuing of greenbacks was stopped, the redemption act was passed, the Government gathered gold, and the greenback rose to par with gold again. The stamp of the Government and the legal-tender quality had neither saved it from depreciation nor secured its return to par with gold. What caused the depreciation was the prospect of an indefinite increase of the greenback promises to pay and the uncertainty as to the ability of the Government to meet its obligations. What caused the subsequent rise of the greenbacks to par with gold was the limiting of the greenback issues to a manageable quantity, the preparation made by the Government for redemption, and the returned public confidence that the Government was able as well as willing to redeem its promises.

What is now the status of the silver dollar in this respect? The greenback dollar is an evidence of indebtedness on the part of the Government to the amount of just \$1, the bit of paper out of which the greenback is made being worth nothing. Under the pledge of the Government to keep the silver dollar to all intents and purposes on a parity with the gold dollar, the silver dollar is virtually an evidence of indebtedness on the part of the United States to an amount equal to the difference between the mercantile value of the metal in the silver dollar and the gold dollar; that is to say, to the amount of 50 cents if the metal in the silver dollar can be bought at 50 cents. Notwithstanding this difference, the silver dollar will, like the greenback, pass in mercantile transactions as the equivalent of the gold dollar as long as there is public confidence in the ability and willingness of the Government to fulfill its pledge to "maintain the two metals at a parity." To fulfill this pledge it is necessary so to limit the circulation of silver dollars and of paper representing silver, for which the Government is responsible, and to keep so large a reserve of gold on hand as to leave no reasonable doubt of the ability of the Government to meet its obligations.

#### THE BOND SALES DISCUSSED.

We know from experience that when, as in 1893, such doubt arose, gold was withdrawn from the Treasury in large quantities, and the gold dollar was on the point of rising to a premium—that is to say, the parity of the two metals was being disturbed. It could be, as it was, maintained only by stopping the increase of the silver circulation and by replenishing the gold reserve by means of bond sales. Had the Government neglected to take these necessary steps, had it permitted the parity of the two metals to be disturbed, it would have been false to its manifest duty, a duty which President Cleveland faithfully, courageously fulfilled. There stands, then, the national pledge to keep the purchasing power of the silver dollar within the United States equal to that of the gold dollar. Every Government policy disregarding that pledge or making its fulfillment impossible is a policy of downright repudiation, dishonoring the Republic.

#### THE BRYAN PLAN.

What, then, is the policy of the Bryan Democracy? It is expressed in its platform:

"We demand the free and unlimited coinage of both silver and gold at the present legal ratio of 16 to 1, without waiting for the aid or consent of any other nation."

And secondly:

"We are opposed to the issue of interest-bearing bonds of the United States in times of peace."

What does the free coinage of silver mean? It means that anyone, here or abroad, who has any silver of any kind may take it to the mints of the United States to be coined into dollars without charge, and that the silver dollars so coined shall be returned to him and shall be a legal tender for all debts, public or private.

And what does the ratio of "16 to 1" mean? It means that under the law 16 ounces of silver shall be held to be worth 1 ounce of gold. But are 16 ounces of silver to-day worth 1 ounce of gold in the markets of the world? Why, there is not a sane person in the United States or anywhere else who would to-day give 1 ounce of gold for 16 ounces of silver, knowing that he can get more than 31 ounces of silver for 1 ounce of gold. What, then, would free silver coinage mean if suddenly introduced to-day? It would mean that any one, American or foreigner, could at pleasure expand our silver currency and thereby increase our public obligation by taking to our mints silver bullion worth about 50 cents and get back a silver dollar worth about twice as much in its debt-paying power.

#### SILVER KINGS WOULD BE BENEFITED.

This would, no doubt, be a profitable arrangement for those who have silver to take to the mint. Who are they? To judge from the talk of silver orators, you might think that, if only free coinage were once established, every farmer would have his private silver mine in his back yard and every laborer a magic source of silver supply in his kitchen. Such delusions would soon vanish. It would turn out that the men who would have large quantities of silver bullion to be doubled in value are the rich mine owners, the silver kings,



who belong to the heaviest capitalists in the country, and the bullion dealers, the great brokers, the big money changers, here as well as in England and on the European Continent—in short, what Populists usually call "the money power." How large the rush of silver to our mints and the consequent addition to our silver coinage would be I will not here conjecture. It is indeed certain that the inducement of any great profit would very soon disappear. But in any event there would be an indeterminate, indefinite expansion of our silver circulation in prospect, and I maintain that this indefinite prospect of expansion would utterly destroy the parity of the two metals.

It is true some of the free-coinage men reason "that free coinage would increase the demand so as to restore the old price." Let us see. The act of 1873, as has been shown, did not curtail existing demand, for there had been no such demand in this country for many years. The demonetization of silver in the Old World did curtail the demand, but it was far from being the only cause of the fall in the price of silver. The price of silver began to decline in the market, at first slightly, two years before the demonetization took place. The cause was, then, the increase of supply. Between 1866 and 1870 the average annual production of silver in the world was 43,051,583 fine ounces. Between 1871 and 1875 it was 63,317,014 fine ounces, and it went on increasing until in 1895 it was 174,796,875 fine ounces, four times as much as the annual average had been thirty years before. And the rise in production would have been still greater had not the fall in price made the mining of some low-grade ores unprofitable.

#### FREE COINAGE AND PRICE.

Now, I ask any sensible person whether against such an increase of production any product in the world could have maintained its price, even if the demand had remained the same? What, then, would the effect of free coinage in the United States be on the price of silver? It would probably produce at first an upward tendency. But as soon as the price goes up, silver production, greatly facilitated by constantly progressive reduction of its cost, will jump up, too, and once more depress the price. We had a striking illustration of this after the passage of the law of 1890, which provided for the purchase of 54,000,000 ounces annually. At first the price of silver rose sharply, but soon it began to fall again, and fell lower than ever.

Why? Because the production of silver rose from 124,000,000 ounces in 1890 to 137,000,000 in 1891, to 153,000,000 in 1892, and to 185,000,000 in 1893. Can there be any doubt that if free coinage caused any considerable rise in price, that price would be speedily pressed down again by an increased output of the mines? Why is it that such an enormous quantity of silver is produced at the present low price? Because at that low price silver mining on a large scale is still profitable. If it were not, there would be none of it. It is therefore certain that free coinage would not raise the price of silver to anything near the old figure, and that an ounce of gold would continue to buy far more than 16 ounces of silver.

Now, then, under such circumstances, could the parity of the two metals be maintained with an indefinite increase of the silver circulation? It would be impossible, unless the gold reserve behind all our obligations were also indefinitely augmented? And how could that reserve be augmented? As it may appear, only by loans effected through the issue of bonds of the United States. But here the Bryan Democracy steps in with its platform declaring "We are opposed to the issuing of interest-bearing bonds of the United States in times of peace." Thus by making the increase of the silver circulation indefinite and at the same time stopping the only source from which the gold reserve can be replenished, the Bryan Democracy will render the maintenance of the parity of the two metals utterly impossible. This is a clear repudiation of the solemn pledge contained in the law of 1890, with more acts of repudiation to follow.

#### CONSEQUENCES OF BRYAN'S ELECTION.

Consider now what the immediate consequences would be if Mr. Bryan were elected President, with a Congress to match. Mr. Bryan would of course be anxious to have his free-coinage law enacted; but that could not be, even if he called an extra session of Congress, until some time in April or May, five or six months after the day of election. But as soon as the results of the election were announced on the 4th of November everybody would know that the parity of gold and silver would not be maintained. Even Mr. Cleveland would not be able to maintain it till the expiration of his term, for nobody will then buy bonds for gold, expecting them to be paid back in silver. Neither will the banks of the country, as they have recently done, come forward again to supply the Treasury with gold, for they would have to expect that the greenbacks they would get for the gold would be redeemed in silver. And here permit me a word, by the way, about those banks. Some of the silver papers said that the banks in coming voluntarily to the rescue of the Government acted not from patriotism but from interest.

If so, then let us thank God that we have financial institutions that consider it their interest to keep the Government solvent. Wee to the country if a majority of the people should find it in their interest to make the Government bankrupt! Well, even after Mr. Bryan's election the banks might be patriotic or prudent enough to come again to the rescue of the Government with their gold, did they not know that it would be absolutely useless. And why would it be useless? Because, it having been made certain by Mr. Bryan's election that the parity of gold and silver would not be maintained, there would be a rush upon the Treasury for the gold in it by persons holding greenbacks entitled to redemption, and the gold reserve would be exhausted in a twinkling.

#### GOLD WOULD VANISH.

Gold will instantly disappear from circulation to be hoarded or exported. Why will it disappear? Because every sensible person when making a payment will prefer to make it in the less valuable dollar and hold the more valuable gold dollar back for more profitable use. Gold will therefore quickly rise to a premium, and we shall be on the silver basis long before a free coinage law can be enacted. What does it mean to be on the silver basis? The word "coin," wherever it appears in the law, will no longer mean gold, as it was so far understood, but silver alone. The greenback or Treasury note redeemable in "coin" will no longer be redeemable in gold, as heretofore, but only in silver. The United States bond, payable in coin—no matter whether gold was paid for it or whether it had been sold for the very purpose of buying gold for the Treasury—will be paid, principal and interest, in silver—repudiation as flagrant as the world ever witnessed. Our daily transactions in buying and selling, in paying and receiving wages, will no longer be carried on upon the basis of the gold dollar worth 100 cents, but of the silver dollar worth 50 cents or thereabout, for the Government will no longer hold up the silver dollar to the value of the gold dollar. That is what the silver basis means. You can study in Mexico how it works.

Now, who will get that Treasury gold when, after Bryan's supposed election, the rush for it is made? Not the farmer, not the laboring man; not those whom the Populists usually call the people. They have no greenbacks ready to present for redemption, and if they had, they would hardly be quick enough about it. No; that Treasury gold will be promptly gotten hold of by the big bankers, by Wall-street men, and by other persons called by the Populists "the money power," to be by them used as they think most profitable.

#### BIG CONTRACTION INEVITABLE.

The quantity of gold vanishing from circulation will amount to about \$90,000,000, the disappearance of which will make a tremendous hole in the volume of our currency. Nearly one-third of it will be gone, and what remains will be reduced nearly one-half in purchasing power. But, says the silver man, there will be free silver coinage to fill the gap promptly with coined silver or silver certificates. Oh, no, my fellow-sufferers. The disappearance of gold will happen promptly after the election of Mr. Bryan, and there will not possibly be any free coinage of silver for at least six months, and it will require a great many more months to fill a gap of \$90,000,000.

What will happen meanwhile? The St. Louis Globe-Democrat reports Mr. Bryan to have said some time ago: "I think it [meaning the victory of the free-coinage movement] will cause a panic. But the country is in a deplorable condition, and it will take extreme measures to restore it to a condition of prosperity." Whereupon the St. Louis paper pointedly remarks: "Evidently Mr. Bryan has heard of the doctor who always threw his patient into fits before administering any curative medicine." Just so.

How, then, would Mr. Bryan's "fit" work? The sudden disappearance of our gold from circulation would produce the most stringent contraction of the currency on record. Business men who owe money and at the same time have money due them will be forced to collect that money by every means at their disposal. Nobody will be inclined to lend out any money except upon extraordinary security. The banks will naturally consider it their duty to keep themselves strong, and therefore to call in loans and to restrict their discounts and advances to business men with the utmost caution. Business establishments, manufactories, mercantile houses, unable to get the money for meeting their obligations, will by the hundreds succumb to their embarrassments and tumble down like a row of bricks. Others will cautiously restrict their operations to the narrowest possible limit, and wage earners by the thousands will lose their employment and be turned into the street.

#### DIRE EFFECT ON ALL CLASSES.

No class of society will be spared the destructive consequences. Every frightened creditor, pressed by his own creditors, and apprehensive of a growing loss by every day's delay, will eagerly pounce upon his debtors. The prompt settlement of every account will be peremptorily demanded.

Our farmers who have mortgages on their property, and who have been told that free coinage will make things exceedingly easy for them, will have some unexpected experiences. Every mortgage debt that is due will be quickly called in. The mortgagor who tries to have his bond extended will find an unwilling ear. He who seeks to borrow money in order to replace the old mortgage with a new one will be told that this is no time for loans, except, perhaps, upon exorbitant conditions. The mortgagor may find, too, that his bond is payable in gold coin, and he will have to buy the gold at the premium then ruling. Foreclosures will be the order of the day. The mortgagor who seeks shelter under the law's delay will, at any rate, further burden his property with the cost of legal proceedings. Everywhere anxiety, embarrassment, sacrifice, loss, and distress, even before Mr. Bryan could ascend the Presidential chair.

Still there are some who under these circumstances will do a lively and prosperous business—the sheriff, the usurer, and the moneyed man who has ready means to buy real estate or other goods for a song at forced sales. That part of the "money power" will lustily thrive on the misfortunes of the people.

But more. We are largely in debt to Europe—not as if Europe had forced us to borrow, but because we solicited Europe to lend us. Our merchants and bankers owe unsettled balances or accounts, and large amounts of our securities are held there—national, State, and municipal bonds, bonds and stock of our railroads, street railways, and industrial corporations, and even mortgages on city property or farms, placed there by loan companies. The European holders of such securities will be seriously alarmed at the prospects here, and our securities will promptly, and indiscriminately be thrown upon the market for what they will bring. A violent decline of prices will be the consequence, of course, here as well as abroad. This will, indeed, in the first place, affect those who deal in such securities. People who have borrowed money on their holdings will have to sacrifice them, because they can not raise the money to protect them. There will, therefore, be a general and ruinous crash in the stock and bond market.

#### LOSSES IN TRUST FUNDS WOULD FOLLOW.

Our silver friends may say that this will not trouble them, and that the more the money changers of Wall street come to grief the better. Indeed, if it were only the money changers of Wall street that suffered, we might easily console ourselves. But the bonds of the United States, and of States and municipalities, and the bonds and stocks of our railroads, of street railways, and of industrial corporations are also held largely in this country, not merely by big capitalists, but by people of small means, farmers, wage earners, who have invested their savings in them; and by savings banks, life-insurance companies, and trust funds, in which many millions of poor people are interested. Is their loss also a matter of indifference?

Again, our silver friends may say that if Europeans do not "trust silver," and in their fright throw away our securities at a heavy sacrifice, we can pick up those securities at a splendid bargain; that some of them will, after all, become good, and rise to high figures again, and that thus we shall make a heavy profit on them. This is true. But who will make that profit? Not the farmer, not the laborer in the workshop, not the tolling masses. No; it will be he whom our silver friends love to denounce as the great goldbug, the rich operator, the very incarnation of the "money power." That class of men will make those profits and be more powerful than before. The catastrophe in Wall street, caused by the election of Mr. Bryan, and the ruining of some Wall street men would not mean the destruction of what the Populist understands by Wall street; it would mean some big fish swallowing some little fish, the big fish growing still bigger by the operation. It would not weaken, but more strongly concentrate the so-called "money power."

How can I forget these things with so much assurance? Because they have already cast their shadows before. Do you remember the crisis of 1893 when the silver basis was in sight?

#### POSSIBILITY OF BRYAN CAUSING ALARM.

And now, again, the mere apprehension of a possibility of Mr. Bryan's election and of the consequent slipping of our country upon the silver basis has already caused untold millions of our securities to be thrown upon the market in Europe as well as here. Scores of business orders are already recalled, a large number of manufacturing establishments have already stopped or restricted their operations, enterprise is already discouraged and nearly paralyzed. Many works of public utility by industrial or railroad companies have already been ordered off, thousands of workmen are already thrown out of employment, gold is already being hoarded, capital is already being sent out of the country to be invested in Europe for safety.

And why all this? Not, as the silver men foolishly pretend, because the existing gold standard has made money scarce, for capital is lying idle in heaps, scores upon scores of millions, fairly yearning for safe employment. No; ask those concerned why all this happens, and with one voice they will tell you it is because they apprehend serious danger to every dollar ventured out through the change of our standard of value in prospect, through the

debasement of our currency threatened by the free-silver-coinage movement. And if these are the effects of a mere apprehension of a possibility, what would be the effect of the event itself? There is scarcely an imaginable limit to the destruction certain to be wrought by the business disturbance that Mr. Bryan's mere election would cause, even before his inauguration. After five or six months of such a deadly crisis, Mr. Bryan's extra session of Congress would begin and give us free coinage. Then, as Mr. Bryan solemnly promised us in his great New York oration, free coinage will give us bimetalism, bimetalism will give us an abundance of money, and all will be right.

#### WOULD BE A BLOW TO BIMETALLISM.

Bimetalism? What is bimetalism? It is a monetary system in which the two metals circulate together for all the purposes of money on a parity with each other upon a fixed legal ratio, which in our case is 16 to 1. Evidently, to have bimetalism gold must be on hand as well as silver. As I have shown, between Mr. Bryan's supposed election and his extra session of Congress our gold will have run away from circulation. Part of it has been privately hoarded, and another, by far the larger part, has gone to Europe, where it finds profitable employment. Thus it turns out that Mr. Bryan's election will have served to possess the American, and still more the European, "money powers" of most of the gold which he needs here for his bimetalism. This is one of the troubles which the really sincere European bimetalists foresaw when they almost pathetically implored their less sincere American brothers not to think of the free coinage of silver in the United States alone, because it would drive almost all the gold to Europe and attract silver to America, which would make bimetalism impossible in Europe as well as here.

How will Mr. Bryan get the gold back from the "money power"? Evidently he must offer an inducement. What inducement? To be sure, the mint will be open to gold as well as silver. But who will offer gold bullion to have it coined into dollars for circulation when he can have silver dollars with the same legal-tender power at half the price? Only an idiot would do that. Of course gold will be offered only when the silver dollar is up again to the gold standard. There is the rub. But here Mr. Bryan steps in with a theory which is a curiosity in statesmanship. He said in his New York speech:

"Any purchaser who stands ready to take the entire supply of any article at a certain price can prevent that article from falling below that price. So the Government can fix a price for gold and silver by creating a demand greater than the supply."

And again:

"When a mint price is thus established it regulates the bullion price, because any person desiring coin may have the bullion converted into coin at that price, and any person desiring bullion can secure it by melting that coin."

#### REAL MEANING OF FREE COINAGE.

What? Is this to mean that under free coinage the Government will purchase silver bullion and pay a certain fixed price for it? If so, then Mr. Bryan, the great free-coinage apostle, does not know what free coinage is. Let us remind him. It means that the owner of silver bullion may take it to the mint and have it coined and returned to him in coined pieces, so many silver dollars for so much weight of pure silver. It does not mean that the Government "stands ready to purchase the entire supply of silver at a certain price." The Government does not purchase a single ounce of it. It merely receives the bullion, stamps it, and returns it. And as to fixing a price, as soon as the Government stops holding up the silver dollar to the gold standard, as it would with Mr. Bryan's election, the silver dollar, measured by its purchasing power, will be worth not a cent more than the market value of the silver contained in it. If the market value of that quantity is 50 cents in gold, and you present at the mint 50 cents' worth of bullion, you get back, not a gold dollar, but a silver dollar worth just 50 cents in gold.

You might, instead of taking your bullion to the mint, sell it in the market for just the same amount of money. Indeed, bullion owners, unless they have some special reason for taking their bullion to the mint, will take it to the market and sell it there, as they very extensively do in all countries in which there is free silver coinage. Why should they not? Because if they have their bullion coined they get legal-tender dollars for it. If they sell it in the market, they get there legal-tender dollars like wise. It will therefore be a mere question of special convenience whether they take it to the mint or to the market. And in the market, according to all human reason and experience, its price will, temporary fluctuations notwithstanding, remain on the whole very near to the figure of the cost at which it can in large quantities be produced. Mr. Bryan's strange imaginings have therefore proved only that when he speaks of Government purchases of silver, and fixing prices and creating a demand greater than the supply, he simply does not know what free coinage is.

#### THEORY SIMPLY A BELIEF.

The theory that free-silver coinage will make and keep the silver dollar equal in value to the gold dollar rests upon absolutely nothing but Mr. Bryan's incessantly expressed personal belief. Fixed belief is a happy state of the mind. One of the strongest cases of belief I ever met with was a man who inflexibly believed that he was the Pope of Rome, and could, if he would, fetch down the moon. He was under treatment by a specialist for mental peculiarities.

Every sensible person, I trust, will now admit that free-silver coinage in the United States alone will make bimetalism—the equal use of both gold and silver as money—utterly impossible, here as well as abroad. It will confirm Europe in gold monometallism and condemn us to silver, monometallism—the exclusive use of silver as money, and of paper based upon silver. No doubt this is what the silver men are really aiming at.

Let us now consider how it will affect the various interests of the people. The first blessing we are promised will flow from free coinage is a general rise of prices. This means that the silver dollar will buy less than the gold dollar did, and this for the reason that it is no longer worth as much as the gold dollar. Evidently the promise of bimetalism, of silver rising to its old price on the one hand, and the promise of higher prices, owing to a less valuable silver dollar on the other hand, do not go together. The one or the other is a fraud. Of course the fraud is the promise of bimetalism. The rise of prices owing to the debasement of the dollar will begin at once as soon as gold departs and we slip on the silver basis. Bread will be dearer; milk, coffee, sugar, tea, meat, and vegetables will be dearer; clothes, shoes, and hats will be dearer; rents, furniture, coal, kerosene—in short, every article the price of which can be raised by the seller.

#### TWO SIDES TO HIGH PRICES.

High prices are a two-edged sword—handy to the seller, but unpleasant to the buyer. They press, of course, hardest upon those who are compelled to buy most in proportion to their income or their earnings. And who are they? The poor people. What a rich family spends upon the actual necessities of life, the indispensable food, clothing, and shelter, is very little compared with its income. Most of its expenditures are for things that are not necessities, and may be classed as luxuries the purchasing of which may be suspended or postponed without hardship. But the poor family, the wage earner's family, is obliged to spend a very large part of its income from day

to day upon food, clothing, shelter, heat, and light, that can not be temporarily dispensed with without hardship. From a rise in the prices of necessities of life the poor people therefore suffer by far the most.

Here I touch one of the most insidious deceptions with which our free-coinage apostles seek to hoodwink the people. They speak of a class of "consumers" as if they were only a lot of rich people sitting in their fine houses and doing nothing but consume; and of a class of "producers," consisting of all the people engaged in work, especially manual work, doing nothing but produce. And they speak of high prices as if their effect were mainly to make those lazy, rich consumers pay more for the things which the producers make and sell to them. This picture is an insidious lie. The number of people not engaged in any directly or indirectly productive work is, thank heaven, in this country still very small. And not only they are consumers, but everybody is. Nay, more than that, the poorest laborer is, in proportion to his means, a much heavier consumer than the richest millionaire. And as to the blessings of high prices, they are a grinding hardship not to the rich but to the poor consumers, unless their earnings rise in full proportion to the rise in prices. Neither are rising prices a sign of rising business prosperity, except when the rise of prices springs from increasing consumption. It certainly is not when it is caused by a debasement of the purchasing power of the current money.

#### THEORY AS IT WILL WORK IN PRACTICE.

Make the practical application. Some time ago I read among the published utterances of various persons on the silver question the following from a street-car conductor: "I am for Bryan and free silver," said he. "If he is elected, money will be plenty and circulate more, and then we'll get some of it." The poor fellow! Let us suppose, then, Mr. Bryan elected. We are happily on the silver basis. The dollar buys its 50 cents' worth of goods or thereabout. The wages of our street-car conductor are, say, \$2 a day. His wife, poor woman, goes to the grocer and finds that everything she used to buy for 10 cents now costs 20. She plaintively remonstrates. "I can not help that," says the grocer. "You pay me in silver, 50 cents on the dollar. I have to use this money in buying my stock, and need twice as many dollars as I did before. So my customers must pay twice as much, or I must close my store."

There is nothing more to be said. It is the same thing when she goes to the butcher, the baker, the shoemaker, and so on. Our street-car conductor finds that while he and his family could with strict economy live on \$2 a day, they are fearfully pinched when the \$2 buys only as much as formerly did \$1. He consults with his friends, and a committee of them apply to the president of the street railway for higher wages. "Higher wages," says he. "I have been thinking that a reduction of wages will be necessary. For all our supplies and material we have now to pay \$2 where we formerly paid \$1. But we get only our 5 cents fare, which is really now 2½ cents. And, besides, our bonds are payable, principal and interest, in gold, and we have to buy that gold at the rate of \$2 in silver for one gold dollar. How are we to make both ends meet? I really do not know whether we can continue to pay you even \$2 a day." The committeemen growl and speak of striking. "Strike!" says the president. "Why, the streets are full of laboring men thrown out of work by the closing of the shops since we are on the silver basis. There are thousands of them, men with families, who will jump at the chance of earning even less than \$2 a day." The committee look at one another. They know that it is all true. The beauty of higher prices on the silver basis begins to dawn upon them, and they withdraw, wiser but much sadder men; and the conductor's care-burdened wife asks him whether it was really a smart thing to vote for Bryan and plenty of money.

#### DAMAGE TO RAILROADS AND RAILROAD MEN.

The same will happen to the hundreds of thousands of employees of the railroads in the United States. There is hardly one of those railroads that will not be prevented either by law or by other powerful influences from raising its passenger fares or freight ratio to meet the depreciation of the money they receive, and 50 per cent of their bonded indebtedness is contracted to be paid, principal and interest, in gold. Bankruptcy will stare them in the face, and even those of them that may manage to escape it will hardly be able to make good to their employees the damage they suffer through the depreciation of their wages through the silver dollar.

How stands the case of the wage earners whose product can be raised in price proportionate to the debasement of the dollar? As the dollar falls in value, the manufacturer or the merchant marks up his goods. The workman or the clerk, finding himself hard pressed by the rise in price of the necessities of life, applies for a corresponding increase of wages. The head of the factory or the mercantile establishment admits that some increase is called for. "But," says he, "you are not the only person in trouble. The value of our money is fluctuating. We hardly know what it is to-day. We surely do not know what it will be next week. Profits are excessively close, anyhow. We make a sale or a purchase to-day and think it is a profit. To-morrow we may find that it was at a loss. We hardly venture to make a contract to be filled at a future time, because we can make no safe calculations. We can increase your wages a little, but not much. For that you will have to wait until things get more settled. Besides, this silver free coinage has thrown all business into dreadful confusion, and there are plenty of people out of employment who would do your work for less than you get now." And so the wage earner has to be satisfied with a little increase of pay, and wait for more while the advanced prices of necessities prey upon him.

#### OUR OWN EXPERIENCE SHOULD WARN US.

Is this mere conjecture? It is the experience of every country that has been cursed by a rise of prices through money of fluctuating value. I defy anyone to show me in the whole history of the world a single exception. Have we not during our civil war witnessed it with our own eyes? In 1862, when our irredeemable paper currency had begun to depreciate, the average wages of labor rose only 3 per cent, while the average price rose 18; in 1863, when wages had risen 104 per cent, average prices were 49 per cent higher; in 1864 wages had risen 234 per cent, and prices 494; in 1865 wages had advanced 43 per cent, and prices 117 above what wages and prices had been in gold in 1861. In other words, the laboring man's wages had lost in purchasing power more than 30 cents in every dollar. Every country laboring under similar conditions tells the same story. What reason in the world is there to assume that this universal rule will not operate in the case of free coinage?

And what have the apostles of free-silver coinage to say to this? Hear Mr. Bryan himself in his famous New York oration: "While a gold standard raises the purchasing power of the dollar, it also makes it more difficult to obtain possession of the dollar—employment is less permanent, loss of work more probable, and reemployment less certain." Is that all? Yes, all. Does not Mr. Bryan know that under what was practically the gold standard we had in the fifties one of the most active and prosperous periods this country had ever seen? Does he not know that more recently, at the time of the return to specie payments, we had under the gold standard years of signal prosperity, with all hands at work? And does he wish to learn what has been the trouble since and what is the trouble now? Let him ask the employers of labor; and with almost one voice they will tell him that not the existing gold standard, but the growing danger of its overthrow; that the growing aggressiveness of the free-coinage movement, filling the minds of men with



anxious apprehensions as to dark future uncertainties, has served to paralyze that spirit of enterprise which sets the laboring men to work. Let him study the history of the crisis of 1893. Not the gold standard, but distrust of silver, destroyed the confidence that employs labor. This is the truth, and Mr. Bryan will in vain try to deny it.

#### WAGE EARNERS SHOULD NOT BE DELUDED.

I must confess, of all the deceptive appeals resorted to by the silver orators, that addressed to the wage earners seems to me the most heartless and damnable. And of all the instances of reckless credulity we witness, that of wage earners who actually permit themselves to be persuaded that free-silver coinage will be a blessing to them is the most incomprehensible and the saddest. There is something pathetic in their delusion. Of all things human labor is the one that has during the last fifty years in this country largely and almost steadily risen in price. Average wages have nearly doubled since 1840 and have risen more than 60 per cent since 1880. The steady rise has been owing partly to organization, in greater part to the larger average productivity of human labor in connection with machinery—in one word, to the progress of civilization. As civilization has served to multiply and cheapen labor's products, it has at the same time served to enhance labor's earnings. It has thus secured to the laboring man, especially in this Republic, a double advantage—a greater number of dollars by way of wages, and for every dollar more of the things which the laboring man has to buy for the necessities and enjoyments of himself and his family.

This is one of the greatest achievements of our age, at which every true friend of humanity will heartily rejoice, but which more than all others the workingman himself should appreciate. That the workingmen should be called upon, by the exercise of their right as voters, to aid in despoiling themselves of this combined blessing, looks like a satanic mockery. And when we see pretended labor leaders join the silver-mine millionaires, the silver politicians, and the nebulous silver philosophers in an effort to seduce the workingmen into an act of self-destruction so supremely foolish, there is good reason for warning them of treason in their camp. If there is anybody in the wide world who should fight to the last gasp for a money of true value, that does not lie to him, and who should curse and spurn as his worst enemy the demagogue seeking to beguile him with deceitful currency jingles, it is the man who earns his bread by the sweat of his brow. This is emphatically the wage earners' battle. Alas for him if he should desert his own cause!

#### WHO ARE THE DEBTOR CLASS?

The free coinage men profess especial solicitude for those whom they call "the debtor class." Who are the debtor class? Our silver friends speak as if as a rule the rich people were creditors and the poor were debtors. Is this correct? In my household I am the debtor to the cook and the chambermaid and the washerwoman two or three weeks in the month, and they are my creditors. Nor are they likely to be debtors to anybody else, while I may be, for they have little, if any, credit, while I perhaps have some. I am, therefore, the only debtor in my house. The relations between the large employer of labor and the employees are substantially the same.

Ordinarily the employer—the rich man—is apt to be the only debtor among them. The employees are, as a rule, only creditors, and as they lay up savings, they are apt to become creditors in a larger sense. They deposit their money in savings banks or invest it in building associations, in mutual benefit societies, in loan companies, or in life insurance policies, and become capitalists in a small way. The amount deposited by the people of small means in the savings banks of the United States is at present something over \$1,800,000,000, that invested in building associations about \$800,000,000, in mutual benefit societies \$305,000,000, and in life insurance many hundred millions more.

The number of such creditors belonging to what our silver friends often call "the toiling masses" is therefore very large. Together with their dependents it may, for aught we know, amount to fifteen or twenty millions. Who are the debtors of these creditors? The savings banks had, according to the reports of 1894, loaned out about one-half of the money deposited with them on real-estate mortgages, and invested the other half in United States bonds, State, county, and municipal bonds, and railroad and other bonds and stocks. The investments of the life insurance companies were about proportionately the same. The investments in real-estate mortgages are always preferably in large amounts, on property belonging to comparatively wealthy persons, or to business corporations. Thus the debtors to these creditors belonging to the toiling masses are the United States, States, and municipalities, railroad and other corporations, and persons very much richer than the creditors. Here we have, then, rich debtors owing to many millions of poor creditors thousands of millions of dollars.

#### THE SCHEME OF THE SILVERITES.

The silver orators pretend that they have the toiling masses greatly at heart, and that free coinage is to be introduced mainly for their benefit. How do they take care of the toiling masses in this case? By bringing us down upon the silver basis they simply cut down the thousands of millions of invested savings of poor people to about 50 cents on the dollar. And for whose benefit is this done? For the benefit of the debtors of these poor people, who will gain about 50 cents on the dollar. And who are they? Aside from the United States and the States and municipalities, those debtors are railroad and other corporations and more or less rich men, whom our silver friends profess to abhor very much as belonging to the "money power." Thus will the silver standard bleed the poor creditor for the benefit of the rich debtor. May not the toiling masses pray heaven to deliver them of their free-coinage friends?

And what have these friends to say in their own defense? I will again let Mr. Bryan's New York oration speak. He says, first with regard to the insurance companies:

"Since the total premiums received exceed the total losses paid, a rising standard must be of more benefit to the companies than to the policy holders."

How wise! And that the companies may not have this benefit, he proposes by the silver standard to strip the policies of the policy holders of nearly half their value. But does not Mr. Bryan know that most of these companies are mutual insurance, and that what benefits or injures the companies therefore benefits or injures the policy holders?

As to the savings-bank depositors he says:

"Under a gold standard there is increasing danger that the savings-bank depositors will lose their deposits because of the inability of the banks to collect their assets."

And to avert this danger Mr. Bryan advises a policy which would, by the introduction of the silver standard, at once cut down the value of those assets to 50 cents on the dollar. He further says:

"If the gold standard is to continue indefinitely, the depositors in savings banks may be compelled to withdraw their deposits in order to pay living expenses."

Indeed!

#### EVIDENCES OF PROSPERITY SINCE 1873.

It is a remarkable fact that since 1873, the year of the great crime, until 1895, during the period when we had to suffer all the calamities of the gold standard, the deposits in savings banks have, instead of being withdrawn for living expenses, increased, positively increased, much over \$1,000,000,000.

And they would have increased still more had not some depositors with-drawn their deposits, not for living expenses, but to send them to Europe for safety, out of the way of Mr. Bryan and other friends of the toiling masses. They will, no doubt, bring that money back as soon as Mr. Bryan is beaten.

Let us go on. Almost every man in active business is a debtor and a creditor at the same time—every merchant, every manufacturer—a creditor to his customers and a debtor to those from whom he buys. Let Mr. Bryan bring on his panic, and hundreds if not thousands of them, although ever so solvent under ordinary circumstances, will break, because they can not pay what they owe, being unable to collect what is due them.

Every bank, while being a creditor to its borrowers, is a debtor to its depositors. I say this with great deference to Mr. Bryan, for he has made a profound discovery in economic science. He says in his New York speech: "It is sometimes asserted by our opponents that a bank belongs to the debtor class, but this is not true of any solvent bank. Every statement published by a solvent bank shows that the assets exceed the liabilities."

According to Mr. Bryan, then, one must be a bankrupt in order to be a debtor. We always thought that he is a debtor who owes, whether he can pay or not, and that he is a bankrupt who owes more than he has the means to pay. But the new Bryanese doctrine changes all this. The man who owes but can pay his debts is not a debtor, and therefore owes nothing. This will be welcome news to many of his supporters.

#### BRYAN AND THE BANKS.

But although Mr. Bryan is anxious to exclude the banks from his favorite class of debtors, he is not without solicitude for their welfare. He is evidently haunted by the singular idea that the gold dollar will indefinitely go on appreciating, and that prices will indefinitely go on falling, and that we shall never touch bottom. He reasons that if the gold standard be maintained and prices continue falling, "the bank is apt to lose more of bad debts than it can gain by the increase of the purchasing power of its capital and surplus." And to avert this trouble, which the bankers themselves almost unanimously refuse to see, Mr. Bryan proposes to make short work of them by a policy which will result in the establishment of the silver standard and make all the debts due to the banks payable in 50-cent dollars.

If he had the slightest conception of the nature of the banking business and of its history, and especially of its recent experiences, he would know that the banks are not imperiled by the maintenance of the existing standard, but have been and will be imperiled by the danger of a debasement of that standard, for the very simple reason that such a danger causes a feeling of insecurity among depositors, a great many of whom will be anxious to withdraw their deposits and to get hold of their money before it depreciates, thus bringing on the greatest danger to a bank—a depositors' run. This is substantially what threatened in 1893, when a grave doubt arose in the public mind whether the Government would be able to maintain the gold standard. We were then within a hair's breadth of a very widespread bankruptcy of the banks, and only the wisest management and the utmost efforts of the clearing houses prevented it. Nothing will be more apt to bring on such a catastrophe than Mr. Bryan's election; and he will then have the satisfaction of welcoming a goodly number of insolvent banks in the fold of the bankrupts whom he considers the only debtors worthy of the name.

#### THOUGHTS FOR FARMERS.

Among the farmers of the West and South there seems to be an impression that the embarrassment of the banks will be of small concern to them. I would advise them well to consider how much the sale of their staple products depends upon the ability of the banks to advance the money for moving the crops. They would do well to remember 1893, when, owing to the crisis of that year, the banking machinery did not work, when the large grain storehouses were suddenly obliged to sell out, and grain prices dropped like lead in water. Do the farmers want to have that experience repeated in a tenfold aggravated form? Then they have only to do that which always disturbs the functions of the banking system more disastrously than anything else—threaten with debasement the existing standard of value. Mr. Bryan's election would do that work so thoroughly that the paralyzing effects would keenly be felt on every farm in the land.

But we are told that the Bryan panic can not last forever; that finally the business of the country will adjust itself to the silver basis; that then unrest will cease and that confidence and prosperity will return. No; the unrest will not cease, for with the establishment of the silver basis will come the disappointment of those who brought it on.

It will be found that whoever wants silver dollars must either sell something for them or work for them or borrow them, or get them by begging, or steal them; that whoever wants to borrow them must give satisfactory security, just as it was with gold dollars before, and that everybody will want more silver dollars than he wanted gold dollars to do the same business, because they will buy less. It will be found that the silver standard will not lower the rate of interest but raise it, for the lender will make provisions for a further depreciation of the silver money. It will be found that the West and South, in spite of the bombastic speeches now made, will need Eastern or European capital for the more rapid development of their resources just as much as before; that while capital is lying idle in heaps, the South and West can not get it as before, because the free-coinage business will have ruined their credit and frightened capital away by a sense of insecurity. It will be found that if the South and West, in their eager desire to get that capital, would gladly make gold contracts for it, they will, according to the Chicago platform, be prevented from that, too, by a Bryanese law prohibiting gold contracts, as Mr. Bryan himself expresses it, "in the interest of public policy," and that thus the South and West will be stripped of the only means to get the capital they so sorely need. It will, in short, be found that the disastrous consequences of the free-coinage policy will fall upon no part of the country with such crushing weight as upon the South and West.

#### LOGIC OF MADNESS.

Well, and the upshot of it all? Those who now cry out that there must be more and cheaper money because there is not gold enough will then cry out that there must be more and cheaper money because there is not silver enough. And then it will be argued that, inasmuch as there must be more money, more money, more money, just as well as we can make 50 cents' worth of silver a dollar we can make a worthless bit of paper a dollar, and that, after all, the regular unadulterated fiat dollar without redemption is the true money of the people, the only money that costs nothing, the coinage of which will be truly free, independent, and unlimited, the only money that can be made in indefinite quantities until everybody has enough madness. Yes, but there is logic and method in this madness. The difference between making 50 cents' worth of silver a dollar and making a bit of paper a dollar is not a difference in kind, but only in degree. After Bryan, TILLMAN.

However, the ultimate result is not at all uncertain. After a period of infinite confusion, disaster, humiliation, suffering, and misery the American people will at last regain sanity of mind, and arrive again at some very simple conclusions: That if you call a peck a bushel, you will have more bushels, but not more grain; if you call a foot a yard, you will have more yards, but not more cloth; if you call a square rod an acre, you will have more acres, but not more land; and if you call 50 cents, or 1 cent, or a bit of paper, a dollar,

you will have more dollars, but not more wealth—indeed, a great deal less chance for wealth, for you will have far less credit, because far less honesty.

We shall then have learned again that the wit of man can not, although infinitely tries very hard, invent an economic system under which everything you have to sell will be dear and everything you have to buy will be cheap. And having got hold of these very simple truths the American people will then in sackcloth and ashes repent of this insane free-coinage debacle. They will then recognize how wise the great civilized nations of Europe were in adopting the only money in our days capable of being the money of the world's commerce as their own money.

#### THINGS FINALLY UNDERSTOOD.

We shall then be sufficiently cured of prejudice to observe that under that monetary system those nations have on the whole prospered, notwithstanding serious evils and drawbacks under which we do not labor, and that the rate of interest is lowest where the gold standard has existed longest. We shall then understand that it is a good thing to have the necessities of life in plenty and cheap; to have wages rising and payable in money that does not deceive; to have capital inspired with confidence in the value of money, and, therefore, easier to go out in investment or enterprise. We shall then readily acknowledge how foolish we were from the very beginning of our silver experiments in throwing away our gold for silver, by which we lost confidence, credit, and prosperity. Chastened by adversity, we shall then no longer be tempted to repeat such nonsense; but with laborious and painful effort we shall work our way back to that money standard which will insure stability and confidence at home and enable us to trade with the nations of the world on equal terms.

And at what price will this ultimate result be gained in the case of Mr. Bryan's election? At the price of the most violent and destructive crisis on record, such a crisis as can only be brought on by a sudden subversion of the standard of values and of the whole basis of credit. At the price of indefinite business paralysis and distress. At the price of the ruthless spoliation of the savings accumulated by the toiling masses. At the price of robbing our war veterans of half the value of their pensions. At the price of greatly increasing the number of unemployed by discouraging enterprise, and of curtailing the value of wages of those remaining at work. At the price of the respect of the world for our intelligence and practical sense. And worse, far worse than all this, at the price of something that has never been forfeited since this Republic was born—at the price of the greatest good a nation can possess, and for the preservation of which it should shed its last drop of blood—at the price of our national honor. For this nation, so rich and powerful, would stand before the world as a wanton, reckless repudiator, as nothing better than a fraudulent bankrupt. This will be the cost of the experiment. Are you willing to pay this price?

#### WARM WORDS FOR THE POOR.

It is not my habit to boast of a warm heart for the poor and suffering. But my sympathy is no less sincere because I do not carry my love and solicitude for the common people constantly at my tongue's end. If there be those who are satisfied with everything that exists, I am not one of them. There are few, if any, who abhor that which may properly be called plutocracy or detest the arrogance of wealth more heartily than I do. I know also that the industrial developments of our time have brought hardship to some classes of people which only the more sagacious, active, and energetic among them have been able to counterbalance profitably with its benefits.

There are laws and practices which, had I the power, I would promptly change, in the interest of common justice and equity. But because I am so minded I must oppose to the utmost a policy which I am convinced will immeasurably aggravate existing evils. I also know full well that a large majority of those who support free coinage are honest and well-meaning citizens, wishing to do right. But because I know this my blood stirs with indignation when I see the unscrupulous efforts made to goad them on to their destruction. I have witnessed in my long life ten Presidential campaigns, but never one in which the appeals to prejudice, passion, and cupidity were so reckless, and the speculation upon assumed popular ignorance or rascality so audacious and wicked. Some of the silver orators actually speak as if they believed the American people to be born fools or knaves, or both.

Look at this. To frighten the innocent with the terror of the unknown, a dreadful picture is painted of the "money power" of Wall street, and worse still, the money power of England, as able, ready, and eager to "corner" the gold of the world, and thus to impoverish and enslave the people. Well, if the money power were able and eager to corner the gold of the world, would the free silver coinage in the United States prevent it? I have shown that by driving our gold straight into the jaws of the money power, the free silver coinage would help that money power in cornering gold. According to the silver authorities there are in the world about \$4,000,000,000 of silver and about \$4,000,000,000 of gold in circulation. But the silver dollars are the only 50-cent dollars. Now, if the money power, with the help of free silver coinage, corners all the gold, it will be able to buy up all the silver and have nearly \$2,000,000,000 in gold over. Will it not?

#### CHANCES FOR CORNERS UNDER FREE SILVER.

You may say that the money power can not get hold of the silver, because the silver, in the shape of coin, or of paper based upon it, will be in general use as money. But is not, under the gold standard, the gold, in the shape of coin, or paper based upon it, in the same general use as money? And if for this reason silver can not be cornered, will it not for the same reason be impossible to corner gold? This may sound like a huge joke, and so it is. But does it not show that if those terrible things could be done at all, they could be done with silver just as well as with gold? And if it were more difficult with bimetalism, have I not conclusively shown that free silver coinage here would make bimetalism utterly impossible, if it were ever so feasible otherwise?

But Mr. Bryan has in this line a bugbear all his own. In his New York speech, that great deliverance of his statesmanship, he said:

"A gold standard encourages the hoarding of money, because money is rising; it also discourages enterprise and paralyzes industry."

This is unique. According to Mr. Bryan, the "goldbug" will, under the gold standard, hoard his money, and sit on it, because gold is rising in value; and so long as gold does not stop rising the goldbug will not stop sitting on it. Why does Mr. Bryan consider the "goldbug" so stupid? Suppose Mr. Bryan were correct in saying that gold money is rising in value, why should not then the "goldbug," instead of sitting on his gold, lend it out on safe, rock-ribbed security at several per cent more? He would be sure, under the gold standard, of getting his money back in unimpaired value. Can he not thus safely increase his gain? Does not Mr. Bryan think the goldbug will be smart enough to see that? Does not Mr. Bryan know that good money is hoarded only when, if let out, it is in danger of returning in the shape of less valuable money, and that then money is scarce? Does he not know that gold goes out freely and encouragingly into the business of the country when the owner is assured, as the gold standard would assure him, that it will come back in a money equally valuable, and that then money is apt to be plenty? If Mr. Bryan does not know that, every intelligent grocery clerk can tell him.

#### CRUDITIES OF INEXPERIENCE.

Mr. Bryan is certainly a remarkable man, being still so young. I wonder how he found time to accumulate so enormous a store of misinformation and to develop so mature an incapacity for understanding this subject. I say this in all seriousness, compelled by my respect for the exalted office to which Mr. Bryan aspires. Considering that for years the discussion of these questions has been his only business, and that he has remained so entirely unacquainted with the most rudimentary of economic principles and with the most conspicuous of business experience, we must conclude that he not only does not know, but is unable to learn. Imagine such ignorance coupled with such assurance clothed with great power! Imagine him, as President of the United States, parading such childish absurdities in his messages! It would make us the laughingstock of the world, and every self-respecting American would hang his head in shame.

But more. Resorting to that cheapest of all hackneyed tricks of demagoguery, the excitement of American feeling against England in particular and Europe in general, they tell us that, like a "conquered race," we are paying "tribute" to the foreigner. What has Europe done to "subjugate" us? Nothing, absolutely nothing, but lend us money. She did not force her money upon us, but lent it when we asked for it and were glad to receive it. She lent us money when we needed it to maintain the Union and were in dire distress. She lent us money when we wished it to develop the resources of our new country, and now what does Europe ask for? Nothing but what we promised to pay when we took what she lent. Where is the tribute? It is said that Europe largely profited on the loans. On the war bonds, yes, and having been helped in need, we did not grudge it. But as for the rest, is it not true also that untold millions of European money have been sunk in American enterprises that failed? Tribute, indeed! This word can be prompted only by that mean spirit which cajoles the lender as a friend when his money is asked for, and treats him as an enemy and outlaw when he asks for his dues. Is this the spirit of the American people?

#### EASTERN AID TO THE WEST.

They seek to excite the people of the West against the East because, as Mr. Bryan said in the Chicago convention, the East injuriously interferes with the business of the West. Aye, the East has interfered with Western business; but how? In helping to build Western railroads, to dig Western canals, to set up Western telegraphs, to establish Western factories, to build up Western towns, to move Western crops, to allay Western distress caused by fire, flood, or drought. Has this served to enrich the East? Yes; and so it has enriched the West. Their wealth and greatness have been mutually built up by the harmonious cooperation of their brawn and brain and money, just as the blood of the East and the West mingled on the common battlefields of the Republic. And now comes this young man, as if he had not suffered enough from sectional strife, and talks of "enemy's country!"

They seek to excite what they call "the poor" against what they call "the rich"—in this land of great opportunities for all, where now, as ever, so many of the poor of yesterday are among the rich of to-day, and so many of the rich of to-day may be among the poor of to-morrow. Their candidate for the Presidency presented a characteristic spectacle when some time ago he was kindly shown over the farm of the governor of New York, who is himself an example of the poor country boy risen by able and honest effort to affluence and distinction; and when that candidate then straightway in a public speech drew invidious comparisons between the elegant houses on the Hudson and the poor cabins in the West, teaching not the true American lesson of success won by honest industry, thrift, and enterprise, but the lesson that those who have succeeded less should hate and fight those who have succeeded more, a lesson utterly un-American, unpatriotic, and abominable!

#### ATTEMPT TO DECEIVE THE FARMER.

They tell the farmer—most cruel deception—that he must and will be made independent of the world abroad, while year after year from \$500,000,000 to \$700,000,000 worth of our agricultural products must seek the foreign market to find purchasers, and while nothing will hurt the farmer more than a serious impairment of the great home market by a business crisis.

They proclaim themselves the special champions of the toiling masses, while their policy would rob the laboring man of half of his savings and grievously curtail the value of his wages. Am I asked, if the silver standard will relatively reduce wages, why so many employers of labor are opposed to it? The reason is obvious, because, aside from all considerations of sentiment, the prudent employers of labor know that they would lose vastly more through the disastrous disturbance of business sure to be caused by a free-coinage victory than they could possibly gain by the cheapening of labor. And would not the toiling masses suffer most from that disturbance of business? He is a traitor to the laboring man who tells him that he can profit by the ruin of his employer.

They pretend to be enemies of plutocracy and advocate a policy which, if I were a selfish, unscrupulous money shark, I should welcome as my finest opportunity. Am I asked, if a free-coinage victory would play into the hands of the money power, why the bankers and capitalists are generally against it? The answer is simple. No doubt there are those among the rich of the country who will not scruple at any means to increase their wealth, who will crush their competitors with a rude and lawless hand, and take any advantage of the embarrassment of the unfortunate. They are the men who will thrive most in general ruin. But the vast majority of our bankers and business potentates are honorable men, who are proud of their good name, who treat honestly and fairly those with whom they deal, who do not see their interest in the ruin of their customers, and who know that their own prosperity is safest in the prosperity of all. Therefore they are against free coinage. It is not these, but the worst element of the "money power," that free coinage will serve. The real pitiless bloodsuckers in the West and South are their own village usurers, their own sharpers around the court-houses, not the legitimate banker or Eastern capitalist.

#### DEBASEMENT OF MONEY THE DESPOT'S METHOD.

The agitators denounce the gold standard as the device of monarchs and aristocrats, while the history of the world teaches that from time immemorial it was a favorite trick of unscrupulous despots to fleece their subjects by debasing the coin of the realm, and that those who out of the monetary confusion evolved fixed standards of values and money that would not cheat have always been ranked among the most meritorious benefactors of mankind, and especially of the poor and weak.

They seek to inflame the vanity of the American people by telling them that we are great and strong enough to maintain any monetary system we like, and to keep up the value of our money without regard to all the world abroad, while our own history teaches us that a century ago the American people were strong enough to shake off the yoke of Great Britain, but not strong enough to save their continental money from declining in value to nothing; that in recent times the American people were strong enough to subdue a gigantic rebellion, but not strong enough to keep an indefinite issue of greenbacks at par, and that this Republic may be able to conquer the world, but it will not be able to make twice two five, or to make itself richer by watering its currency.



They speak of the silver dollar as the money of the Constitution, while they must know that there is not one single word in the Constitution which, honestly interpreted, could justify such a claim.

They invoke for their cause the names of Jefferson and Jackson, while every reader of history knows that Jefferson and Jackson would have stood against at their wild scheme of creating by law a false value, and would have kicked out of their presence as a public nuisance anyone seriously advocating it.

Such things the free-coinage agitators tell the American people, assuming them to be without intelligence. Far worse are the appeals they address to them, assuming them to be without moral sense.

They have been teaching the people that because the prices of wheat and other things have fallen about one-half since the so-called demonetization year, 1873—I have shown why those prices have fallen—it is not equitable that debtors should be held to pay more than half the amount of their debt in gold, that they should be released in correspondence with the decline of prices, and that it would therefore be right to reduce by free silver coinage the value of the debt-paying money by one-half.

#### OBLIGATIONS OF HONOR.

If this were right as a general principle, how would it apply to our debts? Of our Government bonds there are very few that do not bear date long after 1873. Many of them were sold for the express purpose of bringing gold into the Treasury. Our corporation bonds are, as a rule, also quite young. But all these obligations are a mere trifle compared with the immense sums of debt contracted in the daily transactions of business. The average life of a real-estate mortgage is only five years. But probably nine-tenths of all our debts are those between firm and firm or between man and man in the form of notes, bills of exchange, wage bills, and open accounts, the amount of which is incalculable. How old are these? From one hour to six months. How would the principle apply to them? Would there be any equity, or any shadow, or pretense, or quibble of equity, in scaling them down 50 per cent by a sudden drop from the gold to the silver basis?

Subject the principle itself to a simple test. When I contract a debt, I owe what it is mutually understood that I am to pay. Our whole business life and social fabric, all human intercourse, rests upon the binding force of such understandings. Unless it be expressly understood, has the debtor the slightest right or reason to demand that the creditor shall be satisfied with a less amount in payment if wheat or cotton or something else had meanwhile declined in price? If so, would not the creditor also have the right to demand that the debtor should pay more in proportion if wheat or cotton or something else meanwhile had risen in price? If neither of them had thought of proposing or of accepting so adventurous a contract, how can such claims be justified if based upon a mere secret mental reservation or an arbitrary afterthought? Is it not monstrous that such an assumption should be taken as a warrant for the reduction at one sweep of all debts by a debasement of the standard of value?

You recognize such a principle and carry it into general practice, and there will be the end of all confidence between man and man, the cessation of all credit and trust, the utter subversion of the moral rules governing human intercourse, an unbridled reign of fraudulent pretense and unscrupulous greed—in one word, the overthrow of civilized life.

And yet he who has watched the free-coinage agitation knows that just this appeal to debtors is one of its main allurements. Listen to their speeches, read their literature, and you meet, ever-recurring, now in soft-spoken circumlocution, now in sly suggestion, now in the language of brazen cynicism, the promise that free coinage will enable the debtor to get rid of his obligations by paying only a part of them. It is a scheme of wanton repudiation of private as well as public debts, not as if we could not pay them in full, but because we would prefer not to pay in full—the practice resorted to by the fraudulent bankrupt—and this sanctioned by law, as a part of our national policy.

#### WILL THE NATION DO A DISHONORABLE ACT?

Fellow-citizens, think this out. It is a grave matter; a matter of vital import to the existence of this nation. The father who teaches such moral principles to his children educates them for fraud, dishonor, and the penitentiary. The public men who teach such moral principles to the people educate the people for the contempt and abhorrence of mankind. The nation that accepts such moral principles can not live. It will rot to death in the loathsome stow of its own corruption. If the nation accepting such moral principles be this Republic, it will deal a blow to the credit of democratic institutions from which the cause of free government will not recover for centuries.

But, thank God, the American people will never accept such moral principles. The American people will, before election day arrives, have fully discovered what all this means. They will indignantly repel the unspeakable insult offered to them by the politicians who have dared to ask for the votes of honest men upon the offer of such a bait. They will know how to resent the deep disgrace inflicted upon the nation, in the eyes of the whole world, by those Americans who exhibited their own belief that the American people were capable of taking such a bait.

Mr. Bryan has a taste for scriptural illustration. He will remember how Christ was taken up on a high mountain and promised all the glories of the world if he would fall down and worship the devil. He will also remember what Christ answered. So the tempter now takes the American people up the mountain and says, "I will take from you half of your debts if you will worship me." But then brave old Uncle Sam rises up in all his dignity, manly pride, and honest wrath, and speaks in thunder tones, "Get thee behind me, Satan. For it is written that thou shalt worship only the God of truth, honor, and righteousness, and Him alone shalt thou serve."

This will be the voice of the American people on the 6d of November. And the Stars and Stripes will continue to wave undefiled, honorable and honored among the banners of mankind.

**TRUE FRIENDS OF SILVER—THE REPUBLICANS OFFER THE ONLY FEASIBLE METHOD OF ITS USE—THEY HAVE URGED INTERNATIONAL BIMETALLISM FOR MANY YEARS—INTERNATIONAL BIMETALLIC CONFERENCES WERE CALLED BY THEM.**

[By O. P. Austin.]

Who are the true friends of silver? Is it the men who own silver mines or are employed by silver mine owners and those who by their advocacy of an impracticable system manage to keep their names before the public and themselves in fat offices, or is it the men and the party which gave to the country its great volume of silver money, which originated all efforts at international bimetalism, called all the international conferences which have been called by the United States, appointed all delegates to international conferences, and declared in their national and State platforms time after time in favor of the only practical system of utilizing silver—international bimetalism?

These are questions which the people of the United States can afford to consider carefully at the present moment, when the people have, by an overwhelming vote, declared against independent free coinage by the United States and in favor of international action; and in response to a Republican Congress has passed an act authorizing the calling of such a conference

and the appointment of delegates to it, and a Republican President, William McKinley, has said in his inaugural address that the question of international bimetalism will have early and earnest attention. "It will be my constant endeavor," said he, "to secure it by cooperation with the other great commercial powers of the world."

It has been charged over and over again that the men who make the loudest clamor for the free coinage of silver upon the basis which the people of the United States have declared impracticable, do so and have done so for the purpose of retaining their hold upon public office and their control of a certain class of voters of their States or sections. It has been charged that many of these men were moved by mercenary motives of a more direct character in the ownership of silver mines, or by being directly in the employ of silver-mine owners. Whether this is true or not, every man who studies the attitude of the alleged friends of silver in both Houses of Congress during the recent discussions upon the international bimetallic conference bill must be convinced that they are not the true friends of silver, and that it is difficult to explain their attitude by other than selfish motives.

Add to this the further fact that the Republican party is the one political organization which has from the first urged and taken practical steps in favor of the system which the people of the United States have just declared the only feasible one with reference to silver—international bimetalism—and there can no longer remain a doubt in the mind of the honest student of this subject. As to the party and the men who are the true friends of that system which the people have overwhelmingly declared the only practicable one for the restoration of silver—international bimetalism—the discussions in the Fifty-fourth Congress will show conclusively.

When Senator CHANDLER (Republican), on January 27, 1896, asked unanimous consent to take up in the Senate the bill authorizing the appointment of delegates to an international conference on bimetalism, and the calling of this conference if necessary, Senator PETTIGREW (Silver Republican) refused unanimous consent, saying: "I can not yield, Mr. President. I wish to dispose of the appropriation, and I think we can better do it now."

On January 27 Senator CHANDLER again attempted to call up the bill, and Senator DANIEL (Silver Democrat) objected, saying, "I hope the Senator will not interrupt me at this moment," and insisted upon retaining the floor and discussing the Nicaragua Canal bill, thus again preventing the discussion of the bimetallic-conference bill.

On January 28, when Senator CHANDLER succeeded in getting the bill before the Senate, Senator STEWART (Silver Populist), although protesting that he had no disposition to embarrass and hinder the passage of the bill, proceeded to embarrass and hinder it as far as possible by saying, first, that it placed the United States in a humiliating position; second, that there are "grave objections" to international money, which ought to make us hesitate before we enter into any compact with the world; third, that the establishment of such money would "cause great inconvenience to those involved in the complication," and ended by declaring his opposition to international money and denouncing the proposition as "a fake, an old fake."

On January 28, when the bill was again called up, Senator VILAS (Gold Democrat) spoke against it, saying, "I desire simply to express my opposition to this bill," and proceeded to do so to the extent of remarks covering several pages of the CONGRESSIONAL RECORD.

On January 29, during the discussion of the bill, Senator PETTIGREW (Silver Republican) said, "I wish to record my protest against the passage of this bill," and proceeded to detail his reasons for opposition at considerable length.

On January 29, during the discussion of the bill, Senator ALLEN (Silver Populist) presented a long argument to show that the effort would be unsuccessful, and said of the bill: "It is a useless thing. It is a work of supererogation."

On January 29, during the discussion of the bill, Senator CANNON (Silver Republican), after speaking of the movement as having the "air of grotesqueness," said: "If we must fawn further at the feet of those who control the finances of the world, let us at least preserve our self-respect and do it when we are their hosts."

On January 29, during the discussion upon the bill, Senator JONES of Arkansas, chairman of the Silver Democratic national committee, put himself on record as to his real sentiments by saying: "This scheme is not ours; we have not originated it; we do not believe it is the proper scheme for the solution of these difficulties."

On January 29, when the vote was taken in the Senate on the bill, those who voted against it were ALLEN (Silver Populist), PETTIGREW (Silver Republican), ROACH (Silver Democrat), VILAS (Gold Democrat). Not a Republican voted against the bill.

On February 26, when the bill came up in the House, Mr. McRAE (Silver Democrat) and Mr. DOCKERTY (Silver Democrat) obstructed its consideration by demanding a second.

On February 26, during the discussion in the House, Congressman HARTMAN (Silver Republican) said: "We desire to register our unqualified detestation at the idea embodied in the declaration that we must have the consent of the leading commercial nations of the earth before we can legislate for ourselves."

On February 26, when the bill was under discussion in the House, Mr. COOPER of Texas (Silver Democrat) threw cold water on the proposition in the opening sentence of his speech by saying: "I believe this measure to be a will-o'-the-wisp."

Contrast this attitude of the professed friends of silver in the Democratic, Populist, and "Silver Republican" parties with the ringing utterances of two men, Senator ALLISON and Representative DINGLEY. Here are some extracts from the remarks of Senator ALLISON, the leader of the Republican party in the Senate and a member of the last international bimetallic conference. Contrast them with the words and attitude of the professed friends of silver quoted above. On January 29, when the bill was under discussion, Senator ALLISON said:

"Those who believe in an international agreement on this subject are not abdicating the power and independence of our nation, but are making an honest endeavor to bring these two metals, now widely separated in international value, nearer and nearer, and they believe that can be done by their international use. . . ."

This proposition is not new. It has been an established policy of the United States since 1876 by repeated acts of Congress and by repeated statements in platforms, and never departed from in a single instance by either of the great parties until at Chicago in 1896. . . . Opponents of the bill fear at the idea that there is a possibility of securing concurrent action of a number of commercial nations of the world with this country. . . . There has never been a conference which has not made progress as respects the concurrent use of both gold and silver, and I venture the assertion that outside of the controlling portion of Great Britain, and perhaps also the Scandinavian States, there is not a country in Europe that is not in favor of the effort which is proposed here, and which will not support it and advocate it, excepting only Germany, which stands upon a pivot as to its parliamentary situation, and as to the governing forces surrounding the Emperor."

"I do not advocate this policy because it is found in the platform adopted in St. Louis. I advocate it because I believe it is in the interests of concurrent circulation of these two metals in the world and because it promotes the commercial interests of the world to minimize the difference in the power of

exchange between great connecting trade countries. One or the other of these two metals, so long as these conditions prevail, will be the paramount metal. Which of them is to be paramount until we have the concurrent action of nations? It is that which is the standard in the nations having the chief trade of the world. Who are these nations? Are they China, Japan, or the South American States, some of them having a gold standard and some of them having a silver standard, and all of them having a depreciated paper standard but one? Here lies Europe, with its silver and its gold, having the gold standard, with a trade twelve times as great as all the trade of all the silver countries combined. Therefore, unless we can minimize the difference in the value of these two metals in the exchange of the world, this divergence will go on and the people who have the silver money are those who will be most distressed in the exchanges which are necessary to be made."

On February 23, during the discussion in the House, Representative DINGLEY said:

"The Republican party at St. Louis declared against the free coinage of silver by the independent action of the country, because they believed, as I believe, and as every scientific bimetallic in the world outside of politics believes, that such independent free coinage of silver at the ratio of 16 to 1 is nothing in the world but silver monometallism. But the party said at the same time that they would promote, as far as in their power, an international agreement for the free coinage of silver under circumstances which should make every dollar in silver as good as every dollar in gold; and that pledge it is our duty to-day by the passage of this bill to endeavor to respond to. [Applause.]

"Secondly, Mr. Speaker, I am in favor of the passage of this bill because I believe that its defeat under the circumstances under which it is presented, and in view of the pledge which we made at the St. Louis convention, would result in a tremendous injury to the sound-money cause. [Applause.] It must be understood that there are in this country thousands, yes, millions, of voters, who, while opposed to the free coinage of silver by this country alone, because they believe it would give us simply silver monometallism, as I believe it would, are yet in favor of an honest effort to secure an international agreement upon this point, because they believe that if that can be secured through the cooperation of the commercial nations of the world, it will give us a currency every dollar of which shall be as good as gold, and that we shall have a gold standard or its equivalent. That is what they believe.

"Now, in view of the fact that there are millions of people who believe that this can be accomplished, I hold, without entering upon discussion as to the probabilities of success, that it would be a fatal mistake, practically, for this side of the House, under those conditions, not to meet the wishes of those men, and give a thorough trial to this endeavor to obtain an international agreement. If it fails, then we shall have done our full duty in the premises, and no harm will have happened. If it succeeds, then we shall have secured throughout the commercial world a universal and common standard of value that will promote international trade. I believe, therefore, under these circumstances, without entering upon discussion, that it is the duty of every Republican, in view of the pledge that we have made, in view of the fact that we should damage the cause of sound money by refusing to meet our pledge, to vote for this proposition.

"One word further. When the suggestion is made that gentlemen in favor of silver at 16 to 1 are voting for this bill, I want you to read between the lines of their speeches and you can understand very distinctly that nothing would please them so much as to see this bill defeated to-day, and if their votes would do it, they would so cast them."

#### REPUBLICANS FAVORABLE TO SILVER.

Let us take up the history of the national financial legislation year by year, and show what Republicanism has done for bimetallicism at home and abroad.

The act of February 12, 1873, contained a provision for the unlimited coinage of silver dollars weighing 420 troy grains, nine-tenths fine, and made them legal tender for any amount not exceeding \$5. This was done upon the petition of the Republican legislature and Republican governor of California, presented by the Republican Senator from that State. The act further provided for the use of silver as subsidiary coin, so that, with the exception of the nickel 5-cent piece and the bronze cent, the white metal was able to become the entire small change of the American people after the resumption of specie payment. It did not provide for the coinage of the old dollar of 412½ grains, nine-tenths fine, because that amount of silver was worth more than that, for years had been worth more than 100 cents in gold, and was no longer brought to the mints for coinage by owners of bullion, being more valuable in that condition than as coin. The Government stamp, indeed, in that case, would have set it forth to the world as worth less than the silver used to form it, but that act of 1873 was careful not to demonetize the silver dollars already coined, containing in its sixty-seventh and last section an express provision "That this act shall not be construed to affect any act done, right accrued, or penalty incurred upon former acts; but every such right is hereby saved." And among these, of course, the right of the silver dollar to pass as legal tender was chief.

The Forty-third Congress, Republican in both branches, passed the act providing for the resumption of specie payment. President Grant signed this bill on January 14, 1875, and under its provisions the use of silver as a money metal passing current among the people was made possible, after many years' use of depreciated paper. If the Republican party had done nothing more than this in the legislative field, it would deserve well of the Republic. By making the obligations of the United States payable in specie on the 1st day of January, 1879, it laid the way for the highest possible use of silver throughout the land and attained that standard whereby every dollar in circulation became equally and all as good as gold. For this it deserves the support of every honest believer in bimetallicism. And in its struggle to preserve its high standard it must have his support, or we shall sink to the level of Mexico or Japan.

#### THE MONETARY COMMISSION.

On the 15th day of August, 1876, President Grant gave his approval to the joint resolutions already passed by the Republican Senate, whereby a commission was established having for its object, among others, an inquiry—

First. Into the change which has taken place in the relative values of gold and silver; the causes thereof, whether permanent or otherwise; the effects thereof upon trade, commerce, and finance, and the productive interests of the country, and upon the standard of value in this and other countries.

Second. Into the policy of the restoration of the double standard in this country; and if restored, what the legal ratio between the two coins, silver and gold, should be.

At the head of this body, showing the same regard for the interests of silver which has always characterized Republican legislation, was placed Senator JOHN F. JONES of Nevada. His colleagues from the Senate were George S. Boutwell, a distinguished Republican, and Lewis V. Boggs, a Democrat. RICHARD P. BLAND and Randall L. Gibson, Democrats, and George Willard, Republican, represented the House, and William S. Groesbeck, of Cincinnati, a Democrat, and Prof. Francis Bowen, of Harvard College, a Republican, were added to the commission as experts. The secretary was George M. Weston, of Maine, a Republican.

The minority report of three members of the commission, headed by Senator JONES, declares in favor of the free coinage of silver at the ratio of 154

to 1—the standard of the Latin Union—while the majority report regards the fall in price of the white metal as temporary and directly due to its recent demonetization by five nations.

Neither Mr. Groesbeck, Mr. BLAND, Mr. Boutwell, Mr. Bowen, nor Mr. Gibson, in separate minority reports, concurred in the recommendation of a new ratio of 154 to 1 for silver. Nor did any of the recommendations of the commission find favor in the sight of the National Legislature. But the report undoubtedly led to further inquiry in connection with other nations, which has come to be known in American history as the International Monetary Conference of 1878.

#### FOR INTERNATIONAL BIMETALLISM.

By the act of February 23, 1878, President Hayes extended an invitation to the nations of the world to meet and discuss the establishment of relations looking toward international bimetallicism, and in August of that year representatives from the leading nations of Europe met the distinguished delegates of the United States in Paris under the auspices of the French minister of finance. Ex-Governor Reuben E. Fenton, of New York, was the chairman. Gen. Francis A. Walker and W. S. Groesbeck his associates, and S. Dana Horton, a well-known authority on bimetallicism, the secretary of the delegation; all except Mr. Groesbeck were Republicans. As Mr. Horton was courteously given the same rights on the floor of the conference as the others, the Republicans preponderated. This is the more significant when taken in connection with the reply of the Americans to a majority of the European delegates. This reads:

"The representatives of the United States fully concur that it is necessary to maintain in the world the monetary functions of silver as well as those of gold, and they desire that ere long there shall be adequate cooperation to produce the result.

"In regard to the third and last proposition, they admit that 'some of the states which have the double standard,' or, as they prefer to say, use both metals, 'find it impossible to enter into a mutual engagement for the free coinage of silver.' They, as representatives of the United States, have come here expressly to enter into such an agreement. The difficulty is not with them, and whatever it may be they trust that it may soon be removed."

This final statement, signed by all the Americans, taken by itself, shows more clearly than columns of explanation what the Republican party meant at St. Louis by declaring in its platform for the free coinage of silver "by international agreement with the leading commercial nations of the world, which we pledge ourselves to promote."

At the meeting in Paris in 1878, Germany alone of the great commercial nations of Europe was absent. To the assembled nations the Republican party of the United States, through three of its distinguished members, proclaimed its anxiety then and there to enter into reciprocal relations for the free coinage of silver. What was done then will be done again during the McKinley Administration, and, as will be explained shortly, with every hope of success.

#### THE CONFERENCE OF 1881.

Specie payments were resumed January 1, 1879, and President Hayes was again authorized to send delegates to an international monetary conference, held, like the one preceding, in Paris. The United States was there represented by William M. Evarts, lately Secretary of State; Allen G. Thurman, late United States Senator from Ohio; T. O. Howe, late United States Senator from Wisconsin, and S. Dana Horton, whose services at the former conference and whose authoritative writings on bimetallicism entitled him to the distinction. All the delegates except one, Mr. Thurman, were again Republicans, though the Congress which passed the resolution was Democratic in both branches. The sessions began on April 19, 1881, James A. Garfield being President of the United States.

The report of this Paris conference of 1881 is filled with statements which attest the ardent support of the doctrines of bimetallicism. What the lamented Garfield had said in his inaugural regarding the precious metals was the basis upon which all the delegates of the United States stood throughout the protracted arguments. President Garfield expressed himself as follows:

"By the experience of commercial nations, in all ages, it has been found that gold and silver afford the only safe foundation for a monetary system. Confusion has recently been created by a variation in the relative value of the two metals; but I confidently believe that arrangements can be made between the leading commercial nations which will secure the general use of both metals. . . . If possible, such an adjustment to be made that the purchasing power of every coined dollar will be exactly equal to its debt-paying power in all the markets of the world."

To the same effect, read this extract from Mr. Horton's note presented to the conference in relation to the Allison-Bland bill: "By the law of February 23, 1873, the United States became a teacher of reform monetary doctrine. The United States proposed to Europe concurrent coinage of silver and gold at one ratio, with a view to their convenient use in the countries of the proposed union and the comparative steadiness of their relation to each other everywhere."

#### THE BRUSSELS CONFERENCE.

The last international monetary conference was held at Brussels November 22, 1893, Benjamin Harrison being President of the United States. As at all former assemblages of the kind, the American representation was largely Republican, its members being Senators WILLIAM B. ALLISON, JOHN P. JONES; James B. McCreary, Henry W. Cannon; E. Benjamin Andrews, of Brown University, and Edwin H. Terrill, minister of the United States to Belgium. The object they had in view is indicated in the letter of instructions with which they were supplied by John W. Foster, Secretary of State. In it he says:

"It is the opinion of the President [Mr. Harrison] and, as he believes, of the people of the United States, with singular unanimity, that the full use of silver as a coined metal at the ratio to gold to be fixed by agreement between the great commercial nations of the world would very highly promote the prosperity of the people of all the countries of the world. For this reason your first and most important duty will be to secure, if possible, an agreement among the chief commercial nations of the world looking to international bimetallicism; that is, the unlimited coinage of gold and silver into money of full debt-paying power at a fixed ratio in coinage common to all the agreeing powers."

The report of the American delegates shows that the programme prepared on behalf of the United States containing the sentiments, "that in the opinion of this conference it is desirable that some measure may be formed for increasing the use of silver in the currency system of the nations" received the approval of nearly every one of the nations present.

These declarations of approbation made by Great Britain, France, Spain, The Netherlands, and other great commercial countries, and the concomitant sentiment animating the conference, give the greatest hope to all who hold with the Republican party that bimetallicism by international agreement affords the only practicable solution compatible with American common sense and American honor of the difficulties under which silver is laboring.

#### CHANGE OF SENTIMENT ABROAD.

The Brussels conference adjourned to meet May 30, 1893. Just two months before that date a motion made in the British Parliament to call the conference



powers together was lost by a vote of 148 yeas to 229 nays. On that occasion the chancellor of the exchequer expressed himself thus regarding the conference:

"If, in the future, it is to do any good, it must discuss proposals made by responsible governments. If the United States shall call it together again Her Majesty's Government will probably be ready to discuss the question and would consider, in a courteous and friendly manner, any proposals that might be laid before it."

But on the 17th day of March, 1896, the British House of Commons without a dissenting voice, "urges upon the Government the advisability of doing all in its power to secure by international agreement a stable monetary power of exchange between gold and silver;" in other words, in a little more than three years Parliament had changed its sentiments completely in regard to a bimetallic standard and had evidenced it by turning a vote of 81 against to an absolute unanimity for such a measure as the Republican party favors.

Thus the way now seems to be more clearly open than ever before for the Republican party to carry out its desires for international action in favor of true bimetalism.

That the time is now more auspicious for favorable international action than ever before was testified by Congressman McCreary, of Kentucky, who was a member of the last international monetary conference, a Democrat, and a supporter of Bryan in the late campaign, though not agreeing with the extreme views expressed in the platform in behalf of independent action on the part of the United States.

In discussing the bill for an international bimetallic conference in the House, on February 28, he said: "Four international monetary conferences have been held in the last thirty years. The first was held at the invitation of France, and met at Paris June 17, 1867; the second met at the invitation of the United States at Paris August 16, 1878; the third was called by France and the United States, and held in Paris in 1881; the fourth and last was held at Brussels in 1892. There were but nine nations represented in the conference of 1878; thirteen represented in the conference of 1881; but at the last conference, held in Brussels in 1892, twenty nations were represented, and all of the delegates were in their seats the first day the conference assembled. . . . While the monetary conferences that have been held were not successful on the main question, they made substantial progress in the cause of bimetalism, and helped to educate the people to open the way for that international agreement which I hope will come after a while. I believe the prospect for international bimetalism is better now than ever before."

#### GROWTH OF SILVER CIRCULATION.

The following table, issued by the Director of the United States Mint, gives the per capita circulation of gold and silver in several countries in 1873, when silver was alleged to have been "struck down" in the United States, and the corresponding figures for 1897:

Country.	1873.		1897.	
	Gold.	Silver.	Gold.	Silver.
United States	\$3.24	\$0.15	\$3.41	\$5.77
Great Britain	5.03	11.99	14.91	2.96
France	12.47	13.85	22.19	12.94
Germany	3.91	7.47	12.21	4.20
Russia	1.81	.23	3.80	.38
Italy	.75	.86	3.20	1.35
Belgium	4.81	2.88	8.73	8.71
Netherlands	3.08	9.56	6.21	11.08
Austria-Hungary	.98	1.11	3.22	2.76
Australasia	19.23	1.15	24.48	1.49
Denmark	2.28	4.16	6.30	2.35
Sweden	.41	.98	1.06	1.00
Norway	4.22	.89	3.75	1.00

Thus it will be seen, when the dollar of our daddies was so "plentiful," we had an average of 15 cents apiece. But twenty-four years after "our standard money was cut in two," after the suffering of so long a period "under the blighting effects of the gold standard," we find that our per capita of silver has risen from 15 cents to \$5.77 per capita, and that the per capita of silver money of nearly all other countries has also been increased, though not in nearly so large proportion as in the United States.

#### DECEPTION OR WHAT?—A FEW OF WILLIAM J. BRYAN'S NUMEROUS MISSTATEMENTS OF 1896 DISSECTED.

[By O. P. Austin.]

"This conspiracy which we have to meet is a conspiracy which has for its ultimate object the striking down of silver as one of the standard moneys of the world."—*Syracuse speech.*

Mr. Bryan assumes that this "conspiracy" has been in active operation since 1873. Yet, according to the Director of the United States Mint, there is much more than double the amount of silver money in use in the world to-day than there was in 1873, and practically all of it is a full legal tender. Director Preston estimates the amount of silver money in the world in 1873 at \$1,817,000,000, while to-day it is \$4,070,500,000. Here it is in tabular form:

Silver money in the world in 1873	\$1,817,000,000
Silver money in the world in 1896	4,070,500,000

If this is the result of a "conspiracy" of twenty-three years, wouldn't it be well enough to let the "conspiracy" go on?

"We complain of the gold standard because an increased demand for gold has raised the price of gold and lowered the price of all those things which exchange for money."—*Buffalo speech.*

How can there be an increased demand for gold, when gold, silver, and paper money, as well as bank exchanges, have increased much more rapidly than the population in the past few years? The increased ease of producing both gold and silver has enormously increased the quantity of them offered to the public. Mulhall, Preston, and other authorities show that the gold of the world, coined and uncoined, has increased from less than \$2,500,000,000 to over \$7,000,000,000 in the past half century, and that the silver money of the world, which Mulhall estimates at \$1,900,000,000 fifty years ago, is now over \$4,000,000,000. The proportion of gold in the world which is made into coin has doubled in the last fifty years, being now over two-thirds of the total stock instead of one-third, as it was a half century ago. So there is apparently six times as much gold money and twice as much silver money in the world to-day as there was fifty years ago. Does this look as though there was "an increased demand for gold, which has raised the price of gold?"

"Our opponents can not ignore the fact that gold is now going abroad in

spite of all legislation intended to prevent it, and no silver is coined to take its place."—*Madison Square Garden speech.*

Yes; the gold which went abroad in the fiscal year 1896 amounted to \$80,578,649 in excess of the importations of gold; but if Mr. Bryan will examine the imports of merchandise for the same year, he will find that they were \$124,715,402 in excess of those in the last year of the McKinley law.

Imports of merchandise have to be paid for in gold or its equivalent. Had they been no more in 1896 than they were in the last year of the McKinley law, we could not only have kept at home all of the \$80,578,649 which went abroad, but all of the difference between that and the \$124,715,402 of excessive importations due to the Wilson-Gorman Act, which Mr. Bryan helped to frame and pass, and which not only stimulated the importation of goods demanding gold for payment, but closed the factories of this country at the same time.

"We believe that the free coinage of silver will bring gold to this country, and that, too, without the aid of syndicates."—*Speech at Syracuse, N. Y.*

If that is the effect of the free coinage of silver, why does it not do so in the countries which now have free coinage? The South American States have had free coinage of silver for many years, yet the gold does not appear to be drifting to them. They have actually mined \$25,000,000 in gold since the beginning of 1892, yet they have lost most of that, and instead of the gold going to them under the free coinage of silver, as Mr. Bryan says will happen, they have lost their gold until they have to-day but \$1.11 for each individual.

Mexico has had free coinage of silver for many years; but instead of attracting gold, according to the Bryan theory, her gold has rapidly left her, so that, although she mines between four and five millions of gold a year, her gold money amounts to just 41 cents for each individual in her population, or one-twentieth of what the United States has per capita. Does this look as though the free coinage of silver would "bring gold to this country, and that without the aid of syndicates?"

"Gold and silver are different from other commodities in that they are limited in quantity. Corn, wheat, manufactured products, etc., can be produced almost without limit, provided they can be sold at a price sufficient to stimulate production, but gold and silver are called precious metals because they are found, not produced."—*Madison Square Garden speech.*

Does not Mr. Bryan know that the mining of gold and silver has increased with enormous rapidity in the past thirty-five years? The amount of gold produced from the mines of the world since 1860 equals all that produced in the world in over three hundred and fifty years prior to that time. In a single year now the world produces more gold than was produced in a quarter of a century prior to the gold discoveries in California. The suspension of the purchases of silver bullion in 1893 so stimulated the miners of Colorado to search for gold that they more than doubled the production of that metal in a single year. The silver mines of the world since 1890 have produced more than half as much silver as they mined in the preceding three hundred and fifty years.

"The increased demand for gold has raised the price of gold and lowered the prices of all those things which exchange for money."—*Buffalo speech.*

The one thing which primarily exchanges for money and measures it is labor. The report of Mr. Bryan's collaborator in the silver vineyard, Senator JONES, of Nevada, as a member of the Aldrich committee of the United States Senate, shows that one hour of labor would in 1891 buy more gold than it did in 1873, or in any other period of the previous history of the country. There had never been a year in the history of the country, according to the report of the Aldrich committee, which is accepted by all parties as accurate and reliable, in which an hour of labor would buy as much gold as in 1891, the date at which this committee reported. If there has been any loss in the earning power of labor since that day, it is due to the filing up of the country with foreign-made goods and throwing out of employment millions of laborers, and not because of a gold standard which has been in operation, according to Mr. Bryan's admission, for twenty-three years.

"As soon as the Bland Act went into force, the enemies of free silver proceeded to repeal the Bland Act, and left nothing in its place. But the silver sentiment grew until 1890, and in that year the opponents of free coinage, being afraid of a free-coinage bill, secured another compromise, which was known as the Sherman law."—*Columbus speech.*

Mr. Bryan says:

"As soon as the Bland Act went into force, the enemies of free silver proceeded to repeal the Bland Act."

The Bland Act went into operation February 28, 1878, and continued in operation over twelve years. During that period over fifty times as many silver dollars were coined as had been coined in the eighty-one years preceding the act of 1873. This was accompanied by a constant fall in the price of silver, until the bullion in a silver dollar was worth about 70 cents. Mr. Bryan says:

"They proceeded to repeal the Bland law, but left nothing in its place." The very act which repealed it put the Sherman law in its place, although he adds in the same breath that:

"The silver sentiment grew until 1890, and in that year the opponents of free coinage, being afraid of the passage of a free-coinage bill, secured another compromise, which was known as the Sherman law."

By this distortion of facts, well known to everybody who has given the question any attention, Mr. Bryan attempts to deceive those who are not familiar with the subject.

"The free and unlimited coinage by the United States alone will raise the bullion value to its coinage value, and thus make silver bullion worth \$1.29 per ounce in gold throughout the world."—*Madison Square Garden speech.*

These statements are absolutely at variance with each other. Silver is only worth 68 cents per ounce anywhere in the world to-day. If there is a place in the world that it is worth more, all the silver of the world would, according to Mr. Bryan's theory, instantly rise to that price, whatever it might be. If, as he said, "it is more valuable at this time in other lands than it would be at our mints under free coinage," it must be that he expects the price of silver under free coinage to go below 68 cents per ounce. Yet in the same speech he says: "The free and unlimited coinage of silver by the United States alone will make the silver bullion worth \$1.29 per ounce in gold."

"Bimetalism is indorsed by human history. The gold standard has nothing to indorse it except the misery which follows wherever it has been tried."—*Cleveland speech.*

The sort of bimetalism which Mr. Bryan proposes is that which prevails to-day in Mexico, South America, Central America, and China.

The people of Mexico have a per capita of money in circulation amounting to \$4.05; those of Central America, \$3.66; those of South America, \$2.94 (exclusive of their irredeemable paper currency); and those of China, \$2.08. The gold-standard nations have a per capita circulation of from \$10 to \$35 each. Does that look as though "Bimetalism is indorsed by human history, and the gold standard has nothing to indorse it except the misery which follows wherever it has been tried?"

"I only wish that this distinguished divine (Mr. Beecher), whose name

has added to the great fame of your great city, were with us to-night that he might champion the cause of the people in their great fight of to-day."—*Brooklyn speech.*

During the fiat money and unlimited currency excitement of 1877, Mr. Beecher said in his Thanksgiving sermon: "What the moral sense of man is is such an attempt to tamper with standards that the moral sense of man is bewildered and liberty is given to unprincipled men at large to cheat and to be unfaithful to obligations, to refuse the payment of honest debts, whenever that takes place it is all the worse for being done with permission of law. I hate the devil riding on a law worse than I do the devil riding without a law under him. Whoever tampers with established standards tampers with the very marrow of vitality of public faith. Gold is the world's standard; gold is the universal standard of value."

"Railroad rates have not been reduced to keep pace with the fall of prices."  
"The farmer has thus found complaint against the gold standard."—*Madison Square Garden speech.*

Henry W. Poor, the celebrated statistician, who is recognized by everybody as the authority on railroad rates, shows in a recent publication that the average price for moving freight by rail has been reduced from 2.21 cents per ton per mile in 1873 to eighty-three one-hundredths of a cent per ton per mile in 1895.

This is a reduction of 62 per cent in average rates of freight. The average price of No. 2 spring wheat in Chicago during the year 1873, as reported in the official report of the Chicago Board of Trade, was \$1.18 per bushel in currency, equivalent to \$1.04 in gold. The same grade of wheat is selling to-day in Chicago for 66 cents, thus being a reduction in selling price of wheat since 1873 of only 34 per cent. Thus, while the gold price of wheat has fallen 34 per cent since 1873, the railroad freight rates have fallen 62 per cent.

"They say that under bimetalism a foreigner could bring silver here and have it coined and exchanged for gold and take the gold home, leaving the silver. Where would he get the gold? This Government does not agree to swap dollars. Under bimetalism the Government would coin silver bullion into silver dollars and gold bullion into gold dollars, but would not agree to exchange one for the other."—*Asheville, N. C., speech.*

This is at last a frank admission that the Government would not attempt to maintain the parity between the silver and the gold dollars under free coinage. The only ratio by which they could compare them would be the commercial ratio of the silver and the gold, which is to-day about 32 to 1. Yet Mr. Bryan voted in Congress against all propositions to put a single grain more of silver into the dollar than is in it to-day. Upon his own admission it may be assumed that the Government would, if he were its head, make no effort to make the silver dollars worth more than the bullion in them, and that they would therefore fall to a lower price than the Mexican dollar of to-day, because they have less bullion in them than that dollar has.

"In 1894 the amount of our money in circulation in the United States was, according to the Treasury Department report, \$1,660,700,000. In 1895 the amount of money in circulation had fallen to \$1,601,000,000, a decrease in one year of \$59,000,000. In 1896 the amount in circulation had fallen to \$1,508,000,000. This means that in two years the amount of money in circulation among the people had fallen \$150,000,000."

The Government publication from which Mr. Bryan quoted these figures shows, on the very same page from which he quotes, that the amount of money in the country fell only \$74,803,453 in the two years in question, though the amount of money in circulation fell \$150,000,000. It is the quantity of money in the country which determines whether more money is needed. Lack of circulation is due to depression in business, which in this particular case is caused by the suspension of work in the factories of the country, due to the enormous importations under the Bryan-Wilson-Gorman tariff law.

Why did not Mr. Bryan quote the figures on the money in the country, instead of those relating to circulation? And why did he not admit, what everybody knows, that the loss of money in the country is due to the fact that in the two years in question the importations of foreign goods, which had to be paid for in gold or its equivalent, were hundreds of millions in excess of the rate at which they were imported in the last year of the McKinley law.

During the two years of which he complains the importation of foreign goods, which of course had to be paid for in gold or its equivalent, amounted to the enormous sum of \$1,511,679,987, or ten times the amount of the decrease in circulation of which he complains. Is it any wonder that the gold went abroad?

"Any legislation which lessens the world's stock of standard money increases the exchangeable value of the dollar; therefore the crusade against silver must inevitably raise the purchasing power of money and lower the money value of all other forms of property."—*Madison Square Garden speech.*

The amount of money in the world, both silver and gold, has vastly increased since what Mr. Bryan terms "the crusade against silver" was begun. In 1873 the silver money amounted to less than \$2,000,000,000. Now it amounts to \$4,070,000,000, and nearly all of it is full legal tender. In 1873 the gold money of the world amounted to less than \$2,500,000,000. Now it amounts to \$4,038,000,000. Thus it will be seen that the world's stock of metallic money to-day is double what it was in 1873. Does this look as though legislation had "lessened the world's stock of standard money?"

"If the influences which are at work for the destruction of silver as a standard money succeed in this direction, those same influences will be turned against the weaker nations, and nation after nation will be turned from the use of silver."—*Toledo speech.*

Is it not rather absurd to assume that any given set of "influences" or organizations of men could have secretly and viciously induced the lawmaking powers of the most intelligent nations of the earth to do an unwise thing in such a short period? Is it possible that a handful of men could have compelled the intelligent lawmakers of such nations as the United States, England, France, Germany, Holland, Denmark, Sweden, Norway, Spain, Italy, Switzerland, Austria-Hungary, Belgium, and the English colonies all over the world to commit financial hari-kari, all within a comparatively few years?

If a few men had been attempting a plan of this sort which was really bad, would they not have begun on what Mr. Bryan terms the "weaker nations," which would be more easily influenced, rather than to have begun with the strongest and most intelligent? How can a syndicate, a few dozen or a few hundred at the most, have been able so to deceive 350,000,000 of the most intelligent people of the globe within a few years' time as to lead them to do an unwise thing in regard to the subject uppermost in the mind of all men and all nations, that of business prosperity?

"The advocates of the gold standard have never dared to submit that standard to the arbitrament of the ballot."—*Columbus speech.*

There have been twelve national elections for members of Congress since the act which dropped the silver coins of the United States was offered in Congress. In every one of these the people have had full opportunity to exercise the "arbitrament of the ballot" upon this question, and they have never elected a majority of a Congress in favor of reversing the proposition of that act. Why does Mr. Bryan say that it has not been submitted to the "arbitrament of the ballot?" The silver-mine owners have for a quarter of

a century been urging the people to submit the gold standard to the "arbitrament of the ballot" upon it, and they have expressed themselves every election members of Congress by refusing to send to the House of Representatives a majority favoring the free coinage of silver.

"The laboring man is for the restoration of silver, because he knows that under the gold standard we have hard times and falling prices, and they are hard on the laboring man."—*Milwaukee speech.*

Any laboring man whose memory runs back any considerable time knows that his earnings since 1873 have been larger, and that the dollars which he receives will buy more than they did before that. Mr. Bryan's associate in the cause of free silver, Senator Jones of Nevada, joined with the other members of the Aldrich committee in showing that labor was better paid year by year from 1873 to 1891 than it was before 1873, putting the figures for the war-currency period on a gold basis.

The same report also shows that the additional dollars which he received as his wages increased had also a larger purchasing power.

If there has been any fall in wages, it has been since the closing of the factories by the passage of the free-trade law which Mr. Bryan helped to frame and pass, and which has filled the country with foreign manufactures. Wages rose steadily after the passage of the act of 1873, and their purchasing power also increased.

"A gold standard encourages the hoarding of money because money is rising; it also discourages enterprises and paralyzes industry."—*Madison Square Garden speech.*

The United States census reports show that in 1870, before the passage of the act which Mr. Bryan says established the gold standard, the number of manufacturing establishments in the United States was 253,148, employing 2,053,993 working people, and paying them \$775,584,343 annually, and turning out \$4,232,225,442 worth of products annually. By 1890 the number of hands employed had increased over 700,000, the wages had increased to nearly a billion dollars, and the value of the product increased over a billion. In 1890 the number of hands employed was 4,712,622, or more than double that reported by the last census under free coinage; the wages \$2,283,216,629, three times that in 1870, under free coinage, and the value of the product \$9,372,437,283, or more than double that reported in 1870. Does this look as though the gold standard had "discouraged enterprise and paralyzed industry?" Here are the figures for 1870, 1880, and 1890 in tabular form. Ask Mr. Bryan, or any other free-silver man, how he accounts for them if the gold standard has "discouraged enterprise and paralyzed industry."

Year.	Establishments.	Employees.	Wages paid.	Value of manufactures.
1870	250,148	2,053,996	\$775,584,343	\$4,232,225,442
1880	253,852	2,732,595	\$1,017,953,795	\$5,360,570,191
1890	355,415	4,712,622	\$2,283,216,629	\$9,372,437,283

NOTE.—The figures for 1870 are based upon the paper-currency basis of that date, and if reduced to the gold basis, upon which the later statements were made, the contrast would be even more striking.

"You can not employ labor unless you can sell the products of labor at a profit, and as money goes up the profits of labor must come down."—*Syracuse (N. Y.) speech.*

Mr. Bryan insists that money has been "going up" ever since 1873, and that this has caused a reduction in the profits of labor and, of course, in the wages paid to labor. Yet the report of his silver associate, Senator Jones of Nevada, as a member of the Aldrich committee of the United States Senate, shows that the profits of labor increased steadily from 1873 to 1891 when calculated upon a gold basis. So it is evident that the "profits" of labor have increased under the gold standard, and that the dollars which are received for such labor buy much more than they did prior to the act of 1873.

Mr. Bryan is right, doubtless, in the assertion that "You can not employ labor unless you can sell the products of labor at a profit." That is what was told him when he helped frame and pass the Bryan-Wilson-Gorman law, which brought in \$124,715,402 more of foreign goods in its first year than the McKinley law did in its last year. It is this fact, the filling up of our markets with foreign goods, which causes a lack of employment to-day, since, as he says, "You can not employ labor unless you can sell the products of that labor at a profit."

"John G. Carlisle said in 1878: 'The absolute and instantaneous destruction of one-half the entire movable property of the world would not produce anything like the distress and disorganization that must inevitably result from the permanent annihilation of one-half of the metallic money of the world.' And yet the Republican party has pledged itself to join a conspiracy to destroy this money unless other nations come and help us to save our people."—*Buffalo speech.*

Mr. Carlisle doubtless thought in 1878 that the world would suffer if the use of silver as a money should be suspended; but it has not been suspended, and there is no intention by anybody that it shall be. On the contrary, the silver money of the world, which amounted to \$2,500,000,000 in 1878, now amounts to \$4,070,000,000, and is being increased at the rate of over \$100,000,000 a year.

The silver money of the world has thus greatly increased since 1878. There is much more money in the world for each individual to-day than there was in 1878. The Republican party has not pledged itself to join in any conspiracy against silver, as Mr. Bryan asserts, but to cooperate with those European nations which have recently expressed a desire for an increase in its use. Every European nation of prominence has within the past few years expressed a desire for international bimetalism, and the time is ripe for it.

"Wait until you have drawn Japan and South America and all the other silver-using nations to a gold standard, and then what? You will have something like \$4,000,000,000 of standard money, which will be in shape where the money can be cornered by the great money owners of the world and doled out to mankind at such prices as the owners shall determine."—*Toledo speech.*

The gold money of the world is distributed as follows: Greece, \$500,000; Central American States, \$500,000; Bulgaria, \$600,000; Servia, \$1,000,000; Haiti, \$1,000,000; Mexico, \$5,000,000; Norway, \$7,500,000; Sweden, \$8,000,000; Canada, \$14,000,000; Denmark, \$14,500,000; Switzerland, \$14,900,000; Cuba, \$18,000,000; Netherlands, \$23,200,000; Portugal, \$38,000,000; Roumania, \$38,000,000; South American States, \$40,000,000; Spain, \$40,000,000; Turkey, \$50,000,000; Belgium, \$55,000,000; Japan, \$80,000,000; Italy, \$98,200,000; Australia, \$115,000,000; Egypt, \$120,000,000; Austria-Hungary, \$140,000,000; Russia, \$480,000,000; United Kingdom, \$580,000,000; United States, \$600,100,000; Germany, \$625,000,000; France, \$650,000,000. Does it not seem rather absurd to assume that a few money owners can "corner" this amount of gold, distributed over the world in the manner indicated, and "dole it out to mankind at such prices as the owners may determine?" Besides, the gold of the world is increasing at the rate of over \$300,000,000 a year, and at that rate will double the present sum of gold money in the world within twenty years, thus making its "control" so much the more difficult.



"The Republican party has been legislating to make the dollar dearer. \* \* \* Senator Sherman said, January 25, 1890: 'If our present currency is estimated at \$1,400,000,000 and our population is increasing at the rate of 3 per cent per annum, it would take \$2,000,000 increased circulation each year to keep pace with the increased population.' \* \* \* What provision has the Republican party made for the supply of the money that we need? None whatever.—Greensboro (N. C.) speech.

There was added to the metallic currency of the country last year \$63,196,781, or 50 per cent more than sufficient to "keep pace with the increase of the population." In the preceding year, 1894, the amount added to it was \$39,184,988, or more than twice the amount needed for this purpose. There has not been a year since the repeal of the Bland law in which the increase from the coinage of gold alone was not much more than enough to keep pace with the growth of population. The reduction of the money of the country and of that in circulation is due to the fact that the tariff law which Mr. Bryan helped enact brought enormous quantities of foreign goods into the country and took money out of it to pay for them, instead of keeping it at home and circulating it among the workmen at the mills and factories, as did the McKinley law.

"If you think you have hard times, what would it be if these same influences succeeded in driving India to a gold standard, if they should succeed in suspending the free coinage of silver in India?"—Toledo speech.

Free coinage of silver in India was suspended in 1893 and is still suspended. This action was taken on the recommendation of a commission on the currency appointed on the recommendation of the council of the government of India. The mints of India were closed to silver on June 26, 1893, with the avowed purpose of eventually establishing a single gold standard. They still remain closed to silver, no silver coins except small fractional currency having been coined at the mints of India during the year 1894-95, most of this being recoinage of uncurrent coin and foreign coin.

"Wage earners know that while a gold standard raises the purchasing power of the dollar, it also makes it more difficult to obtain possession of the dollar."—Madison Square Garden speech.

The report of the committee of the United States Senate, of which his silver associate, Senator Jones, of Nevada, was a member, and whose report is accepted by all parties as accurate, shows that the earnings of labor have steadily increased since 1873, the date at which he claimed the United States went to a gold standard.

The report of the Aldrich committee shows the average wages of labor in 1891 were materially higher than they were in 1873, when the figures for that date are reduced to a gold basis, while the dollars now earned will buy on an average 25 per cent more than they did then. If there has been a decrease in the wages of labor since the date of the Aldrich report, it is that of the past two years, due to the closing of shops and factories by the tariff law which Mr. Bryan helped frame and pass.

#### WHY WHEAT FELL—A FEW FACTS FOR FARMERS—INDIA WHEAT AT 13 CENTS A BUSHEL DID IT—THERE IS A REMEDY—READ THIS AND FIND IT.

[By O. P. Austin.]

What was the cause of the low price of wheat in 1895?  
Has the use or disuse of silver had anything to do with it?  
Let us see.

In 1871 we had \$32,000,000 in silver currency in the United States. Wheat was then worth \$1.25 per bushel.  
In 1895 we had \$25,000,000 in silver currency in the United States. Wheat was then worth 50 cents a bushel.

These are official figures. The books of the Treasury Department show that we have twelve times as much silver currency now as we had in 1871. The figures of the Department of Agriculture show that the price of wheat to-day is only two-fifths of what it was in 1871.

If the quantity of silver circulation has any relation to the price of wheat, it would seem to have a bad effect rather than a good one, for wheat has steadily fallen, while the silver money in the country has steadily increased.

Do you believe this?

If not, just run your eye over the following table. It is made up of official figures from the Treasury Department as to the quantity of silver money in the country and the official figures from the Department of Agriculture as to the price of wheat.

Do you see how the silver money has increased and how the price of wheat has decreased?

Run your eye down the silver column and see how it steadily increased. Then run your eye down the column of wheat prices and see how it steadily decreased, just as evenly and steadily as the silver column increased.

Year.	Silver currency in the United States.	Average price of wheat.	Year.	Silver currency in the United States.	Average price of wheat.
1871.....	\$32,000,000	\$1.25	1884.....	\$200,000,000	\$0.645
1872.....	55,000,000	1.241	1885.....	297,000,000	.771
1873.....	58,000,000	1.151	1886.....	329,000,000	.697
1874.....	61,000,000	.945	1887.....	369,000,000	.681
1875.....	63,000,000	1.008	1888.....	403,000,000	.626
1876.....	72,000,000	1.037	1889.....	437,000,000	.606
1877.....	90,000,000	1.034	1890.....	485,000,000	.593
1878.....	105,000,000	.777	1891.....	542,000,000	.639
1879.....	132,000,000	1.109	1892.....	592,000,000	.624
1880.....	163,000,000	.951	1893.....	623,000,000	.536
1881.....	189,000,000	1.192	1894.....	624,000,000	.491
1882.....	218,000,000	.869	1895.....	625,000,000	.600
1883.....	244,000,000	.911			

Strange, isn't it?

Now, let us apply the usual argument of the politicians and silver advocates.

If an increase of 1,100 per cent in our silver money in twenty-five years' time has been accompanied by a fall of 60 per cent in the price of wheat, at the same rate of increase in the silver supply and decrease of the value of wheat the price of wheat will go to 1 cent a bushel in twenty more years of additions to our silver currency.

It is just as logical to argue it that way as it is to try by any other means to show that the fall in the price of wheat is due to any silver legislation in regard to silver as a currency. What, then, is the cause of the fall in the price of wheat?

Simple enough, if you stop and think it out.

The price of wheat is dependent on the demand for it. If the markets of Europe are supplied with wheat produced at one-third what it costs to raise it here, is it to be expected that you will get a living price for your wheat here?

Certainly not.

Senator Peffer, of Kansas, the Populist leader, in his report on the cause of the fall in agricultural prices made to the Senate in 1894, said:

"Our home prices for wheat are largely controlled by the foreign wheat market; and that is regulated by those who supply the greater part of the demand. The effect on our wheat market is to bring down prices. \* \* \* Our strongest rival is now India, whose farmers, during the past seven years, furnished nearly one-half as much as we did of the wheat requirement of our best customer, England. \* \* \* Wages of India farm hands run from 6 to 10 cents of our money per day and wheat costs about 13 cents per bushel on the farm there.

Please read that again, slowly.

India, which only entered the wheat markets of Europe after England opened the Suez Canal and gave quick transportation from India to Liverpool, is now supplying a large share of the wheat markets of Europe, and doing it with wheat which she produces at 13 cents a bushel. The official figures show that other wheat fields of the world are now able to even drive India out of that market.

Is it any wonder that we get low prices for our wheat which goes abroad? Remember, too, that India, where labor is 10 cents a day and wheat is produced at 13 cents a bushel, is a silver-using country. Keep this fact in mind, and look back again at that table showing the steady decrease in the price of wheat while our silver coinage has been increasing.

Now, let us have a little more of Senator Peffer on the price of wheat. He is interesting. He says in the same report quoted above:

"In Kansas it appears from the report of the secretary of the State board of agriculture that it costs 50 cents to raise a bushel of wheat. \* \* \* In Pennsylvania and New York the average cost of producing a bushel of wheat is about 65 cents. \* \* \* In Illinois it costs \$10.20 to produce an acre of wheat, and the average yield since 1873 has been a little less than 14 bushels. \* \* \* Wheat in India costs but about 13 cents a bushel on the farm, 12 cents more puts it aboard ship, and 25 cents additional lands it on the wharves in Liverpool. This 50-cent wheat from India competes (in our best market, England) with wheat on American farms at an average cost of 80 cents a bushel."

Not a pleasing picture, is it?

We used to supply two-thirds of the world's wheat market. Now we supply but one-third, and do it in competition with 13-cent wheat laid down in the London markets at a cost of 50 cents a bushel, all told. Is it surprising that wheat is low?

What is the remedy?

Two things.

First. Create a home market for your wheat.

Second. Vary your production.

How are you to do this?

First. Create a home market by supporting a protective tariff, which will bring business to manufacturers and employment to idle millions, who will thus have money to spend freely for your farm products.

Second. Support the party which gave you reciprocity on farm products, protection for wool, and a bounty on sugar produced by farmers.

Under the reciprocity of the McKinley law our exports of flour, wheat, and other farm products increased steadily and enormously, because we were able to get them into foreign countries at a lower tariff rate than the grain and flour from other parts of the world had to pay for entering those countries. So we could get better prices for our grain and flour under reciprocity than other countries were getting at the same time.

Under the sugar bounty of the McKinley law beet-sugar factories were springing up throughout the Mississippi Valley and on the Pacific Coast, and there was reason to believe we should soon give to our farmers the \$100,000,000 per annum which we now send abroad for sugar.

The repeal of the McKinley tariff law caused the importation of foreign wool to increase from 55,000,000 pounds to 205,000,000 pounds in a single year, an increase of about 300 per cent. Besides this enormous increase in raw wool, the importation of manufactured wool increased from \$19,000,000 in value under the McKinley law to \$36,000,000 in value under the present or Wilson law. Under the McKinley law the importation of rags was only about 100,000 pounds, while the Wilson law in its first year brought in 14,000,000 pounds of woolen rags and shoddy from the hotels and hospitals of Europe to be worked into clothes for our people, and displacing good, clean American wool. The result of all this was a decrease in the value of the flocks from \$125,000,000 under the McKinley law to \$55,000,000 under the Wilson law.

Think what a return of McKinley principles means to the farmer:

(1) Better prices abroad for his wheat by means of reciprocity, which reduces foreign tariffs on his grain while other wheat growers of the world still pay high rates of duty in the countries to which our grain would obtain access at low rates.

(2) The distribution of \$100,000,000 a year among the farmers of the Mississippi Valley and on the Pacific Coast for the sugar which they can produce from beets, if assisted by the Republican policy, which inaugurated the beginning of the beet-sugar industry.

(3) An increase in home demand for grain and other farm products by such a protective tariff as will enable the manufacturers to start their mills and their employees to begin spending their money freely for a comfortable living.

(4) Such a protective tariff on wool and other farm products as will shut out from this country the farm products of other parts of the world.

Do you realize what the effect of the Wilson tariff was on the farmers?

Read the following table and see the enormous increase in the importation of all farm products in the first year of the Wilson law as compared with the last year of the McKinley law. Then look at the table which follows it and see the decrease in the exports of farm products which followed the destruction of reciprocity by the repeal of the McKinley law and the adoption of the Wilson law.

#### THE OFFICIAL FIGURES.

The following tables show, from official reports of the Treasury Department, the imports and exports of farm products in the last fiscal year under the McKinley law, compared with the first calendar year under the Wilson law. These two periods—the fiscal year ended June 30, 1894, and the calendar year beginning January 1, 1895—most nearly touch the date at which the change was made from the old to the new law of any annual periods covered by the official statements of the Treasury Department. The fiscal year 1894 closed two months before the end of the operations of the McKinley law, and the calendar year 1895 began four months after the Wilson law had begun its work. Each year's figures may therefore be assumed to present a fairly normal picture of the workings of the two laws, and thus to give for the first time since the enactment of the Wilson law an absolutely accurate official comparison of their operations as affecting the great class of citizens of the United States dependent on agriculture.

## Imports of farm products.

	McKinley law, fiscal year 1894.	Wilson law, calendar year 1893.
Tobacco	\$11,001,706	\$15,225,726
Wines	6,730,425	7,222,102
Wool	6,107,438	33,770,159
Leather	4,508,330	7,745,002
Cotton (unmanufactured)	3,010,253	5,171,009
Rice	2,464,226	2,955,329
Animals	2,411,096	3,365,123
Seeds	2,305,695	4,650,430
Breadstuffs (all)	1,981,317	2,886,736
Provisions (all)	1,797,847	2,106,130
Flax (unmanufactured)	1,390,845	2,230,920
Cheese	1,247,198	1,471,001
Hay	701,097	2,101,635
Wheat	701,177	1,121,739
Feathers	726,002	3,083,620
Hops	484,415	547,045
Barley	368,744	501,137
Hemp	239,918	1,212,243
Eggs	190,536	219,459

## Exports of farm products.

	\$210,809,298	\$189,880,645
Cotton	186,774,556	125,004,486
Breadstuffs (all)	145,282,273	132,456,843
Provisions (all)	69,271,700	50,292,886
Flour	69,470,041	40,898,547
Wheat	40,690,721	37,348,793
Lard	38,338,357	37,411,944
Beacon	35,608,180	33,791,014
Animals (all)	33,455,082	20,897,701
Cattle	30,211,154	17,907,736
Corn	16,000,383	16,522,015
Beef	8,907,807	7,851,246
Oil cake and meal	7,941,935	1,983,894
Seeds (all)	7,180,232	3,401,117
Cheese	5,067,773	4,430,155
Distilled spirits	4,540,822	1,126,618
Pork	3,972,487	2,835,947
Clover seed	3,844,194	1,745,945
Hides	2,766,164	1,207,350
Tallow	2,426,284	31,076
Flaxseed	2,379,714	1,486,038
Barley	2,300,265	1,890,672
Sugar and molasses	2,027,634	599,835
Oats	1,740,604	1,557,467
Vegetables	800,503	698,034
Hay	210,742	179,856
Broom corn	138,523	724
Eye		

Now you know how to remedy the present unsatisfactory condition on the farm.

Go back to protection, reciprocity, encouragement of the beet-sugar industry, encouragement of the wool industry, encouragement to manufacturers, encouragement to home industries of all kinds, and thus give the home market a consuming power which it had under Republican protection. Do this and we shall again see happy homes and the good prices which we had under protection.

Do not listen to the man who tells you that the price of silver makes the price of farm products.

Look up market records, turn to your own account books, and you will find that corn and oats, and hogs and cattle, the staples you have to sell, brought you as good prices in 1890 as in 1872, and the money you get would buy more of your necessities, because protection had resulted in the cheapening of all manufactured articles.

Why did you get good prices in 1890? Because under Republican protection the country was prosperous, workmen were employed at good wages, and they were able to buy what you had to sell.

The men who talked free trade to you four years ago, and whose legislation in 1894 ruined your home market, made tramps out of your best customers and sent them to soup houses instead of their own well-filled dinner pails, are afraid to come back this year and talk tariff to you.

They are responsible for the present affliction you are suffering, and in order to draw your attention away from what they have done and make you forget what happened when you trusted them before, they are now offering you the free coinage of silver as another quack remedy for the disease they themselves created.

Can the same man fool you twice in four years?

## IMPORTANT TO SHAREHOLDERS—THE EFFECT OF FREE COINAGE OF SILVER ON BUILDING ASSOCIATIONS AND THEIR MEMBERS.

The most important question in a generation, affecting the interest of building, loan, and savings associations, has been presented for their answer and must be decided at the pending Presidential election in November. On their votes will depend the confidence, safety, and prosperity, and the very existence of these institutions in the future.

Shall the savings of the 2,000,000 members, carefully laid by in these institutions for the time of need or to purchase a home, be repaid in currency of the same well-known value, every dollar of which is as good as gold, or by a depreciated currency worth 50 cents on the dollar in its purchasing power?

There are at present over 2,000,000 stockholders in these associations, 90 per cent of whom earn their living by their daily wages or salaries. According to the latest official reports, there has been saved and deposited by these 2,000,000 stockholders in the different associations (not including about 100 associations not reporting) and is now deposited to their credit \$635,774,721.

Every dollar of this is due the members in dollars as good as gold, and every dollar has been contributed through economy and often deprivation of the luxuries of life. The States of New York, Pennsylvania, Ohio, New Jersey, Indiana, Illinois, Michigan, Wisconsin, Iowa, Minnesota, have contributed \$435,807,000 of this amount.

The city of Chicago alone represents 312 associations (117,700 members) and savings of \$39,044,828. The city of Cincinnati, 334 associations (101,605 members) and \$28,845,838 of savings. Nearly every town of importance, from East to West, North and South, is represented by a building association.

The average value of these savings per stockholder amounts to \$313. Assuming an average payment of \$13 per share yearly of dues, and basing the estimate upon the last report of the United States Labor Commissioner, this amount would represent a saving of about two years and six months. In other words, the whole sum of \$635,000,774 represents the deposits and profits of the members within that period, a sum one-half more than all the capital of the national banks in existence.

During the operation of these associations since the year 1861 it is estimated that over 1,000,000 homes have been secured to their members; more than twice the number of homes secured through the homestead act of the same date.

The growth of these institutions and the confidence of the public in them has been slow, but it has been greatly increased by their stability and safety shown during the last financial disturbance. Can they afford to risk another financial disturbance, which would certainly result under the threatened free coinage of silver?

Could the directors of these associations guarantee the future depositors the kind of money with which they would be repaid? Would it be in their power, or practical, to guarantee to any borrowing member that he might not, with the fluctuating value of an unstable currency, be required in the future to repay his loans in a dollar of depreciated or greater value?

The loans of these associations are generally made on long time, averaging about ten years. It is necessary, under these conditions, that a fixed, certain, and definite contract be made between a borrower and the association, in order that the member may be well informed as to the amount of value of the repayment of his debt to be made, and that the associations should be definitely informed as to the amount they will receive on the redemption of their claim.

This can never be satisfactorily arranged or determined with a currency that will fluctuate from time to time, as has been the history of all fiat money. (The issue of a 47-cent dollar without the Government guaranty to maintain its parity with gold is simply fiat money.)

Building and loan associations have been prosperous in the past; there has been no question or suspicion as to the value of the dollar which was loaned by the association, or any question by the borrower as to the value of the dollar which he received and would be required to repay.

In view of the success in the past of these institutions, can their members or directors afford to risk any change of value or tamper with the \$635,000,000, every dollar of which is as good as gold, by encouraging the scheme of supplanting the present dollar, worth 100 cents in gold, with a 47-cent dollar?

The loss resulting from a decrease of purchasing power, and suffered by those who have saved part of their earnings in the past, must go primarily to the owners of silver mines and silver bullion, as it is their product to which a fictitious value is at first given; other articles of barter and sale rising in price later, while wages are always the last to rise.

It is a sacred duty which every building-association stockholder owes to himself and to those who are dependent upon him to preserve the integrity of his little savings, and the value of his hard-earned accumulations, by opposing with voice and vote the free-silver delusion which now threatens to undermine their value and rob him of half of his possessions.

The attention of every stockholder is called to the action of the representatives of their interest, recently assembled at the meeting of the United States League of Building and Loan Associations, held at Philadelphia, July 22 and 23, 1893, where the following was adopted by acclamation:

## BUILDING AND LOAN ASSOCIATIONS.

"It is the sense of this meeting that the interests of all shareholders of Building and Loan Associations in the United States demand that the present standard of values, upon which the monetary system has been based since the resumption of specie payment in 1879, shall remain unchanged and inviolate.

"We believe that the interests of every class in the community, and especially those of the great wage-earning class, imperatively demand that every dollar in circulation, whether coin or paper, shall be equal in purchasing power, and therefore equal in value to every other.

"Patriotism demands that the 'dollar' bearing the mint mark of the United States shall be the equal of the dollar of the most advanced nations, and entitled to full faith and credit all over the world; and to that end it must be maintained free from all suspicion of debasement or repudiation."

These statements embody the convictions of the representative building-association men from all States wherein State leagues had been formed, and who met with a view solely of considering the best interests of all the people connected with the movement, with no personal ends in view, no private "axes to grind."

This is not a question of party politics, nor a question of nationalities. It is a question of pursuing an honest policy in maintaining the purity of the money of the United States as it now exists and of honest dealing between man and man.

All citizens, without distinction of birth, whether native Americans or naturalized citizens, and whatever may have been their political affiliations in the past, can consistently stand together on the platform of sound money by repudiating the platform of free and unlimited coinage on the basis of 16 to 1, by seeing to it that its false pretensions are finally and forever buried at the November election for President of the United States.

## Assets of building, loan, and savings associations.

States.	Assets.	Membership.
EASTERN.		
Maine	\$1,830,150	9,832
New Hampshire	1,447,489	8,103
Massachusetts	20,532,667	81,216
Rhode Island	707,121	3,223
Connecticut	477,345	3,222
Total	25,014,781	104,656
MIDDLE.		
New York	50,172,683	166,485
New Jersey	38,892,110	98,107
Pennsylvania	103,943,346	303,422
Ohio	92,121,650	279,956
Indiana	34,347,023	142,093
Illinois	62,638,258	249,000
Michigan	7,804,865	39,325
Wisconsin	3,197,142	13,610
Iowa	7,905,032	37,257
Minnesota	15,739,690	47,628
Total	435,807,756	1,376,943



## Assets of building, loan, and savings associations—Continued.

States.	Assets.	Members- ship.
<b>SOUTHERN.</b>		
Virginia.....	\$7,474,408	2,104
West Virginia.....	3,401,088	15,342
North Carolina.....	1,087,219	5,666
South Carolina.....	2,703,590	4,384
Georgia.....	7,313,744	31,234
Alabama.....	3,108,472	8,931
Florida.....	1,705,665	3,868
Mississippi.....	2,896,497	5,560
Louisiana.....	4,829,271	15,196
Texas.....	2,184,369	6,429
Tennessee.....	13,427,634	45,299
Kentucky.....	14,325,983	57,212
Maryland.....	12,465,078	63,308
Missouri.....	35,841,560	83,756
Delaware.....	1,741,047	2,969
Arkansas.....	2,873,139	6,016
Total.....	112,109,386	391,344
District of Columbia.....	6,717,607	21,599
<b>WESTERN.</b>		
North Dakota.....	257,633	636
South Dakota.....	1,711,488	8,491
Nebraska.....	3,888,001	11,460
Kansas.....	2,591,585	8,155
Oklahoma.....	21,284	170
Total.....	8,470,191	28,912
<b>PACIFIC.</b>		
Oregon.....	1,335,736	2,907
Washington.....	681,800	2,550
California.....	21,500,520	37,470
Nevada.....	60,734	211
Idaho.....	109,858	345
Montana.....	591,158	1,881
Utah.....	991,501	3,672
Wyoming.....	398,128	472
Colorado.....	7,243,094	15,270
New Mexico.....	308,912	707
Arizona.....	155,748	391
Total.....	33,386,189	65,966
Total of all, not including about 100 associations not reporting.....	636,774,721	1,960,430

## MAIN FACTS ABOUT GOLD AND SILVER.

## FIRST.

1. Silver has always been measured by gold.
2. That by which something else is measured is the standard of value. The number of ounces of silver an ounce of gold would buy has always been the ratio.
3. Like all other values, the ratio of silver to gold has been controlled by supply and demand.
4. When the Government was founded, the commercial or true ratio was believed to be 15 to 1.
5. At that ratio silver was admitted free and unlimited to the mint. Gold dollar, 24 grains fine gold; 24 multiplied by 15 equals 374 grains fine silver, the "silver dollar of the daddies."
6. The intent and belief of the "daddies" was that 374 grains of pure silver would buy as much of anything as 24 grains of gold would buy; or that 15 ounces of fine silver would pay as much debt as 1 ounce of gold.

## SECOND.

1. The ratio of 15 to 1, fixed by law, remained actually correct but a very short time.
2. Owing to admission of foreign coins which were inferior, no American gold or silver coins circulated. Coinage of silver dollars was suspended in 1806, and was not resumed until 1835.
3. In 1837 the weight of the silver dollar was changed to 412½ grains of standard silver by a slight change in the alloy. The ratio between the silver and gold dollar was then 16 to 1, a slight reduction in the weight of the gold dollar having been made in 1834.
4. Silver then became more profitable to export than to coin.
5. Thus we went to the single gold standard, on which we have been down to the present time.

## THIRD.

1. The change in the coinage law in 1873, popularly known as "the crime of 1873," was not surreptitiously made, as is sometimes claimed. The bill had been considered at five sessions of Congress, and the omission of the silver dollar was explained to be because of the fluctuation in the value of silver as measured by gold. Even Senator STEWART voted for the bill, as did all the Senators from silver-producing States.
2. The coinage act of 1873 did not deprive silver dollars already coined and in circulation of their legal-tender quality.
3. In 1878 a law was enacted authorizing the purchase of \$2,000,000 worth of silver per month by the Government and the coinage thereof into dollars of 412½ grains standard silver, which coins were to be full legal tender.
4. There were coined under this act, from 1878 to 1890, 378,165,793 silver dollars, or forty-seven times as many as were coined from 1792 to 1873. These dollars are all a full legal tender.
5. In 1890 an act was passed requiring the purchase of 4,500,000 ounces of silver per month, to be paid for in Treasury notes. The hope that this purchase of nearly the entire output of American mines would restore silver to a parity with gold was not realized, and silver bullion declined to nearly the lowest point in its history.
6. The act of 1890 was repealed in 1893 at a special session of Congress called by President Cleveland, who pointed out that the credit of the Government in silver coinage was exhausted. There were coined under its provisions 39,181,484 standard silver dollars, most of them in the first year of its operation.
7. There have been coined by the United States, in the one hundred and four years since the mints were opened, 431,330,457 silver dollars, all of which

are a full legal tender to-day. Of this number 423,289,219 have been coined since the "crime of 1873," so called, and only 8,041,238 were coined before that date.

8. All the silver dollars in our currency are full legal tender at 100 cents each (except for redemption of gold certificates, which are not legal tender).

9. Subsidiary silver (half dollars, quarter dollars, and dimes) is legal tender to the amount of \$10 in any one transaction.

10. The total limited legal-tender silver coined is \$179,566,288.60.

11. Total silver coined by the United States down to July 1, 1896, \$936,464,343.10.

## FOURTH.

1. The reason why a new demand for free coinage of silver by the United States has arisen is that, owing to increased production, caused chiefly by improved methods of mining and better facilities for transportation, the output of silver has become so large as to diminish its value in relation to gold.

2. Down to 1873 silver was more profitable to export than to coin, and that year only \$238,600 was offered for coinage in the United States.

3. In 1856 the world's production of silver was 31,400,000 ounces; real ratio to gold, 15.38 to 1.

4. In 1876 the world's production of silver was 67,753,000 ounces, or more than double. Real ratio to gold, 17.88.

5. In 1886 the world's production of silver was 93,297,000 ounces, trebling that of 1856. Real ratio to gold, 20.78.

6. In 1895 the world's production of silver was 165,000,000 ounces, or more than five times what it was in 1856. Real ratio to gold, 31.56.

7. That is to say, an ounce of gold is worth to-day nearly 34 ounces of silver.

8. Yet owners of uncoined silver want us to accept it for free and unlimited coinage at the ratio of 16 ounces of silver to 1 ounce of gold.

## FIFTH.

1. The effect would be to flood the country with silver dollars worth 46 cents.

2. When the Government was founded, the "daddies" believed and intended that 15 ounces of silver would purchase as much as 1 ounce of gold, or that 15 ounces of silver would discharge a debt which 1 ounce of gold would discharge.

3. To-day it requires 34 ounces of silver to purchase 1 ounce of gold. If we coined silver at 16 to 1, therefore, we would be forcing on ourselves a dollar of a purchasing power or debt-paying power of less than one-half the present dollar of our currency, all its dollars being kept up to a value of 100 cents each by the existing gold standard.

4. Free coinage of silver would put us on the silver standard with China and other countries in which labor is in practical serfdom and civilization is scarcely begun.

5. There is not in the world to-day a first-class nation that opens its mints to the free and unlimited coinage of silver.

6. Remember always that 63 times as many legal-tender silver dollars have been coined by the United States since the so-called "crime of 1873" as were coined before that date. In the face of this enormous increase of coinage, the price of silver has fallen one-half.

## STOCK ARGUMENTS OF FREE-COINAGE MEN BRIEFLY ANSWERED.

1. That the free coinage of silver will make money plenty. It will not. It will drive more than \$900,000,000 of gold out of the country, and it will require years of work by the mints to replace this amount with silver.
2. That silver was demonetized in 1873. It was not. To "demonetize" means to abandon the use of as money. Up to 1873 we had coined only 8,000,000 silver dollars; since that time we have coined 423,000,000 full legal-tender silver dollars, and they are all in use and all full legal tender.
3. That the present hard times result from the gold standard. One cause of hard times is the continual agitation for cheap money. Under the gold standard we had unexampled prosperity, until the agitation for more silver and low tariff unsettled business.
4. That the gold standard has ruined the country. The wealth of the country more than doubled from 1870 to 1890.
5. That the gold standard has cut wages in half. From 1870 to 1890 wages increased 28 per cent, and their purchasing power 72 per cent.
6. That silver is not a legal tender. Silver dollars are legal tender to any amount for debt, public or private, and subsidiary coins are legal tender to the amount of \$10.
7. That free coinage will make 374½ grains of pure silver sell for \$1. Three-fourths of the earth's population have free coinage of silver, but 374½ grains of silver sell for 47 cents.
8. That the dollar of the daddies must be restored. It was restored in 1873, and over 423,000,000 of them have since been coined.
9. That silver has fallen in value because it is denied free coinage. Silver began to fall one hundred and seventy-three years before we stopped free coinage.
10. That this country is big enough to adopt free coinage and restore silver's value independently of the rest of the world. If three-fourths of the people in the world have failed, how can 70,000,000 succeed?
11. That the "money power" has cornered gold and made money scarce. There is \$6,786,437,000 of gold in the world, and no combination could possibly corner it.
12. That we are being driven into bankruptcy by scarce money and high interest. In 1873 we had \$18.04 per capita; in 1894 we had \$24.39 per capita. Since 1873 rates of interest have fallen 50 per cent.
13. That the larger the volume of currency the higher are prices. France has \$35.77 per capita; Switzerland has \$9.97. Prices are the same in both countries.
14. That primary money only is a measure of values. Gold is the primary money of both France and Greece. France has \$22.19 gold per capita; Greece has only 23 cents. Prices are the same in both countries.
15. That free silver will make the farmer's wheat sell for \$1. But that silver dollar will only purchase what 50 cents will buy at present.
16. That the silver men demand bimetallism. In his Centralia speech, W. J. Bryan said: "The Democratic party has declared for a single standard of silver." That means silver monometallism.
17. That free silver will raise wages. From 1860 to 1895 a 49-cent paper dollar raised prices 116 per cent, and only raised wages 43 per cent. The purchasing power of all wages was reduced 66 per cent compared with the gold wages of 1860.
18. That free coinage will raise the price of silver to \$1.29 per ounce. With an annual purchase for coinage of 2,250 tons per annum, the price fell from \$1.17 to 78 cents between 1890 and 1893 and the production increased 36 per cent.
19. That nature has fixed a ratio of 16 to 1 by yielding annually at the mines in weight about sixteen times as much silver as gold.

This is not true. The ratio in which the two metals have been produced has varied continually and very greatly. According to the most trustworthy statistics we have, the ratio of gold to silver produced was about 1 to 8 from 1493 to 1520, about 1 to 48 from 1581 to 1640, and 1 to less than 4 from 1851 to 1860. Between these extremes the ratio has varied very widely.

#### RAPID PROGRESS OF THE DINGLEY BILL—ITS RECORD COMPARED WITH THAT OF OTHER TARIFF MEASURES.

The following table (prepared by Mr. William T. Bingham, a correspondent of the New York Sun) gives a comparison of the number of days the McKinley, Wilson, and Dingley bills were in process of legislation:

	McKinley bill.	Wilson bill.	Dingley bill.
	Days.	Days.	Days.
Debated in House.....	35	25	10
In Senate Finance Committee.....	26	47	34
Debated in Senate.....	85	95	42
In conference.....	10	36	10
	156	203	97
Actual time from reporting to House until becoming a law.....	167	252	125

Mr. Harrison was elected November, 1888, and Congress met December, 1889; the McKinley bill became a law October 1, 1890, or almost twenty-three months after the election, and almost ten months after the meeting of Congress.

Mr. Cleveland was elected November, 1892, and Congress met August 7, 1893; the Wilson bill became a law August 28, 1894, or almost twenty-two months after the election, and more than a year after the meeting of Congress.

Mr. McKinley was elected November, 1896, and Congress met March 15, 1897; the Dingley bill became a law July 24, in less than nine months after his election, and in four months and nine days after Congress met.

#### The Tariff.

#### SPEECH

OF

HON. PETER J. OTEY,

OF VIRGINIA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897,

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. OTEY said:

Mr. SPEAKER: Having expressed my views fully on the measure now before this body when it was before it last March, and having had nothing to occur to cause any modification of those views, it is my purpose to discuss the effect of such Republican legislation as this on my State.

When the war between the States ended, Virginia lay prostrate, like Samson after Delilah had shorn him of his strength.

There are those here to-day who were not born when, in 1865, the vultures from the North flocked to the South to feed on the exhausted body of the once glorious and great Old Dominion. She had already been dismembered, that another star might be added to that flag which floated in triumph over the greatest battlefields of modern times, and which her people had helped to make renowned. But the edict had gone forth that for a time at least the name of Virginia should be blotted out, and that the mention of her great and glorious memories should be treason; that the fame of her sons should not be written, and that thenceforward District No. 1 should take the place of Virginia.

Four long years did her white people bear the yoke, during which time their good sense, conservatism, and courage engaged the admiration of the whole world. In 1869 they were given an opportunity to speak, and once again did that old party, which for fifty-two years prior to the war had guided the destinies of the nation, hoist the Democratic flag, on which was emblazoned "Sic semper tyrannis," and control of State affairs once again passed into the hands of the white people of this battle-scarred old State.

It is only necessary for us to compare the conditions now with then.

Place a thermometer before us and let us suppose that the degrees represent advancement and progress, civil and religious liberty, and human happiness; and compare the mercury at different stages since 1869, and the record will show that it had reached zero in 1870. At the end of two years it had risen and continued to rise till 1881, when the Democratic party lost and the mercury fell. Another two years passed, and it recovered, the upward movement being caused by the restoration in part of Democratic rule. Two years later this restoration was complete, and the mercury has risen ever since. I do not mean to say that prosperity has attended this upward march. There may be great

advancement and progress without prosperity, and such conditions have existed in Virginia.

Ours is a dual Government; both State and Federal Governments must perform their allotted function to secure the greatest good to the greatest number. The State may perform its function, but if the Federal Government perform not its duty, the tree of prosperity will bear no fruit.

This tree has been subjected to the blight of Federal legislation, taxation galore, prodigal expenditures, tariff and money legislation—enough to have destroyed its roots and rendered even budding impossible.

It is the function of the Federal Government to provide the best markets for the produce of our people. This it has not done. The State is powerless to do so, and the tariff bills under which we have been forced to live precluded it, as the present bill does. It is the function of the Federal Government to supply both gold and silver coin as a medium of exchange, which it has denied.

No State is permitted to make anything but gold and silver coin a legal tender, and yet Federal legislation forbids the use of silver.

The wonder is that all State legislation has not been neutralized by such Federal action.

It matters not what is the increased volume of production, manufacturing, and the mechanic arts that have resulted from good State government, prosperity will not be an attendant when Federal legislation reduces prices so that no profit accrues. So, then, if it can be shown that the party in power in a State has provided the conditions for such increase, which, under proper Federal legislation, profit and consequent prosperity would have followed, and such Federal legislation was denied, who can lay the blame of the want of prosperity at the door of the dominant party in this State?

Then, too, when it can be shown that actual decadence of these conditions occurred when another party got control, and improved when it lost control, it is clear that its temporary control had something to do with the decadence. Analyze the acts of the Democratic party in Virginia, and it will be seen that it has never failed to foster the welfare of her people, to maintain their honor, and sustain the integrity of the Commonwealth.

The great and perplexing question of taxation has been handled with consummate skill. Where there was a deficit, a surplus has grown. The revenues have been increased without increase of taxation. Assessments have been equalized, so that not more than one-fourth of the burdens of taxation now rest on the producing classes, whereas before three-fourths of it almost crushed the farming element of the State. Expenditures have been economically regulated, so that increased appropriations have been made to schools, asylums, higher institutions of learning, and to our own Confederate veterans.

In an interview with me which was published in the Washington Post in the early part of this spring I said (I incorporate it as part of my remarks) of the Republican party of Virginia:

"It is principally composed of negroes. There are thousands of names on registration books which have not been purged, which under a new registration would melt away. Virginia is a white man's State. Nowhere is the Anglo-Saxon blood stronger than in Virginia. Just as this race stands preeminent in the world, so does it stand predominant in Virginia, and there are very few white people who forget this when the weal or woe of the State is at stake. One statement from the census of the United States, 1890, ought to satisfy any unprejudiced mind that Virginia is inherently Democratic. The population consists of whites, 60 per cent; negroes, 40 per cent; 1,000,000 whites, and 600,000 blacks. Ergo Democratic. Only once since 1870, in which year the State emerged from 'District No. 1,' as the chrysalis from the cocoon, to assume new life, has the combined opposition to the Democracy of Virginia got control of the State. The history of those two years will never be forgotten by the white people of Virginia."

I also stated that public education, which had been fostered by the Democratic party, placing the public-school system on its feet six years before the constitution of the State required it, suffered a blow from its so-called friends, when they got control of the State for two years, that well-nigh ended it. Blacksburg College, an institution organized so that poverty might be lifted to the same plane with wealth and the poor boy given an equal chance in the race of life with the more fortunate wealthy neighbor, was well-nigh wrecked.

The Virginia Military Institute, that educates fifty young men, sending them out annually as graduates after a four-years course, all at the expense of the State, met a similar fate. The one was reduced to 70 students, the other to 100, mostly sons of wealthy or well-to-do people. Public schools were withering under the blight of coalition. Two years were enough to open the eyes of the people, and in 1883 the white people, under the lead of Democracy, cleared the deck, and to-day we find Blacksburg, with its magnificent workshops and its technical courses, educating 400 young men, many of whom pay nothing but their labor in return. The Virginia Military Institute, the West Point of the South, with its



splendid corps of 200 cadets, has sprung into a new and useful life. Education has been nurtured, illiteracy has greatly decreased, and crime is abating.

#### PUBLIC SCHOOLS.

The constitution provided that the public-school system should be in operation on or before the year 1876. The Democratic party again assumed control of affairs in 1870. The constitution also provided that a superintendent of schools be elected by the general assembly within thirty days after it assembled. What did the Democratic legislature do?

It appointed or elected a superintendent within eight days of the time required, and he qualified five days before the expiration of the time.

A bill passed the legislature and became a law July 11, 1870, for speedily placing in operation the public schools. Six years before the constitutional requirement was the public-school system of Virginia an accomplished fact. Why should it not have been, when it is a fact that the first public school in the world was in Virginia?

It is worthy of note, too, as it was quite apparent that the revenue to provide for the firm establishment of the system had to be drawn from the white people in the shape of taxes.

So it is a remarkable fact that, except in one district, the question of levying a local tax for providing school accommodations was carried in every case where submitted to the suffrage of the people by a large majority, and that exception was in a district in which the colored people voted adversely. In some districts the colored people declined to vote (be it to their credit) on the ground that as the white people had to pay the tax they preferred for the white people to determine the question. Henrico County was an instance of this. The polls were opened in all the districts in Henrico, and there were only 18 votes cast against the tax.

Then, too, elections were held in May as to raising money in each county additionally by taxation for paying teachers, and it was carried affirmatively in 73 counties and lost in 25, no vote being taken in any of the cities. In some counties where it was not carried it was not needed.

So by November, 1870, most of the schools were in operation; more than a thousand officers were commissioned. Before the end of the scholastic year the number of pupils enrolled had increased to 130,000; teachers, 3,000, and schools, 2,900.

Number attending, 1870 ..... 50,775  
Illiteracy in 1870—  
Over 21, can not write, white ..... 68,000  
Over 21, can not write, colored ..... 208,000  
Aggregate cost of public schools, 1870 ..... \$450,000

It was then estimated that if wages be placed at \$30 per month, and five months made the term, the tuition would cost \$150 per annum, which would be \$720,000 for the State.

We will see that the Democratic party has done better than this. The coalition—Republicans and other schismatics—got control of the government of the State of Virginia in 1881. The difference between what was done in 1879 and what was done in 1881 will show the effect of Democratic rule. The difference between 1881 and 1883 will show the effect of two years of Republican rule, and the difference between 1883 and 1885 will show the effect of the recovery of the legislature by the Democratic party. I quote from summaries prepared and published by the Republican or coalition officers.

	Difference in years named.		
	Between 1879 and 1881 (Democratic rule).	Between 1881 and 1883 (Republican rule).	Between 1883 and 1885 (Democratic rule).
Number of schools opened.....	2,891	592	601
Number of graded schools.....	106	57	81
Number of children enrolled.....	131,073	29,314	34,983
Number in average attendance.....	68,611	15,518	20,464
Number supplied with books.....	3,272	1,558	2,404
Percentage school age enrolled.....	21	4	6
Cost tuition per month per pupil in average attendance.....	*\$0.07	†\$0.03	*\$0.05
Whole cost public education per month per pupil enrolled.....	*\$0.20	†\$0.02	(†)
Whole cost of education per month per pupil in average attendance.....	*\$0.24	†\$0.04	*\$0.04
Number teachers: White.....	1,376	255	212
Colored.....	512	350	384
Average number pupils.....	9	†11	†1
Number schoolhouses owned by districts.....	651	410	1,190
Number built during year.....	159	66	351
Deficit or arrearage.....	\$60,000	\$100,000	\$100,000

\* Decrease. † Increase. ‡ No increase.

In 1879, 2,891 schools opened, only 592 in 1881, and in 1883, 601 opened. The decadence under Republican rule is shown in 1881,

and the recovery and advance again inaugurated under Democratic rule in 1883.

So for graded schools established: 106 in 1879, 57 in 1881, and 81 in 1883; number of children enrolled, 131,073 in 1879, 29,314 in 1881, and 34,983 in 1883; cost per month per pupil, 7 cents decrease in 1879, 3 cents increase in 1881, and 5 cents decrease in 1883; number of white teachers, 1,376 in 1879, 255 in 1881, and 212 in 1883; number of colored teachers, 512 in 1879, 350 in 1881, and 384 in 1883; number of buildings, 159 in 1879, 66 in 1881, and 351 in 1883; deficit or arrearages, \$60,000 in 1879, \$100,000 in 1881, and \$100,000 in 1883.

#### Total cost of public education.

Year.	Amount.	Difference.
1870.....	\$545,826.98	.....
1880.....	946,109.35	\$400,282.35
1885.....	1,247,629.13	301,519.80
1895.....	1,897,592.40	550,963.27

#### Average monthly salaries.

Year.	Male.	Female.
1870.....	\$32.36	\$26.33
1880.....	29.20	24.65
1885.....	31.00	26.88
1895.....	32.83	26.95

Population 10 years of age and over, showing percentage of illiteracy in Virginia.

[From report of Commissioner of Education.]

	1870.	1880.	1890.
	Per cent.	Per cent.	Per cent.
All 10 and over 10.....	50	40	30
Native whites.....	19	13	13
Foreign whites.....	5	10	10
All whites 10 and over.....	23	18	13
All colored 10 and over.....	89	73	57

Virginia had 890,000 population in 1870, 10 years of age and over, 446,000 of whom were illiterates—322,000 colored. In 1890, 1,212,000; 366,000 of whom were illiterates, of which 260,000 were colored. All this under Democratic rule.

Statement showing decrease and increase of illiteracy in some Republican States as compared with Virginia.

State.	De-crease.	In-crease.	State.	De-crease.	In-crease.
	Per ct.	Per ct.		Per ct.	Per ct.
Virginia.....	36	.....	Massachusetts.....	5	.....
New Hampshire.....	36	.....	Rhode Island.....	12	.....
Maine.....	27	.....	Illinois.....	13	.....
Vermont.....	12	.....	Connecticut.....	7	.....
New Jersey.....	5	.....	Ohio.....	5	.....
Wisconsin.....	15	.....	Indiana.....	16	.....
Michigan.....	14	.....	Delaware.....	18	.....
Pennsylvania.....	4	.....			

There were only 14 States that decreased their illiteracy more than Virginia, of which 8 were Democratic States, 1 Populist, 1 Silver, 1 Republican, and 3 doubtful.

Compared with Europe, we find that illiteracy of males in Virginia has been reduced from 1870 to 1890 from 50 per cent to 30 per cent; and in Hungary it is 32 per cent, Italy 40 per cent, Portugal 92 per cent, Spain 63 per cent, Russia 71 per cent, Serbia 79 per cent, and Roumania 89 per cent.

The number of colored illiterates 10 years of age and over in 1870 was 89 per cent; in 1890, 73 per cent; in 1890, 57 per cent.

The white illiterates in 1890 had been reduced to 13 per cent.

If we now compare some of the Southern States, we will get a glimpse of the effect on the illiteracy of the colored people. Those States which were longest under the iron heel of Republicanism were slower in the advancement of the colored people.

State.	Illiterates.		
	1890.	1880.	1870.
	Per cent.	Per cent.	Per cent.
Missouri.....	43	54	72
West Virginia.....	44	55	77
Florida.....	51	71	84
Texas.....	52	75	86
Virginia.....	53	73	89
Arkansas.....	54	75	81
Tennessee.....	54	71	82
North Carolina.....	60	77	85
Mississippi.....	61	75	87
South Carolina.....	64	78	81
Georgia.....	67	82	92
Alabama.....	69	81	89
Louisiana.....	72	79	85

## Illiteracy declined in the order named:

State.	1870 to 1880.	1880 to 1890.
	Per cent.	Per cent.
Missouri.....	18	12
Texas.....	19	20
Virginia.....	16	20
Tennessee.....	11	16
North Carolina.....	8	17
Mississippi.....	8	14
Alabama.....	8	13
Arkansas.....	6	21
South Carolina.....	3	14

These are only differences between the percentages and not the actual percentage or ratio of illiterates to population at the last of each decade.

These tables show that while those States that had to submit to Republican carpetbag rule made little headway in the increased education of the colored people, all of them show marked improvement after Democratic control was accomplished.

Missouri was soon out of the toils, and the 18 per cent decline of the illiteracy of the first decade shows it.

Virginia recovered her home rule in part in 1870, and the first decade shows 16 per cent decline of illiterates and the next 20 per cent under Democratic rule.

Tennessee was ahead of some of her less fortunate Southern sisters, and her advantage gained under Democratic rule is expressed in a decline in illiterates during the first decade of 11 per cent, and the second of 16 per cent.

Turn now to our less fortunate Southern States. The percentage of decline in illiterates in North Carolina, Mississippi, and Alabama is denoted by 8 per cent in each, and marks the delay in recovering control by the Democratic party.

Still a prolonged term of Republican misrule is expressed in Arkansas and South Carolina by the percentages of 6 and 3. Yet

the second decade, when the Democrats were in full control, we find that Arkansas made greater advances in educating the negro than any of the others, and Alabama reached the same percentage as Missouri, the latter State giving the largest percentage in the first decade, because it was not under carpet-bag rule at all.

So we find that the education of the colored people of these States was retarded in proportion to the time they were under the dominion of Republicans, and the inference, indeed the absolute conclusion, is irresistible that the said domination was the cause of the hindrance and was in fact the impediment.

Not only is this true, but the figures also show that as soon as the obstacle was removed advancement in the education of the colored people not only began but continued with an increasing ratio to population.

Obviously Democratic rule has improved the colored man. Not only is this true of the negro, but it is true of the white people.

Another fact worthy of note is that in the States of Maine, New Hampshire, Vermont, and Massachusetts there was an increase in the illiteracy of the colored population. So, too, in Michigan, North Dakota, Montana, Wyoming, Colorado, Arizona, Nevada, Idaho, Washington, Oregon, and California. Virginia was the forty-sixth (counting Territories and the District of Columbia) State in illiteracy of the colored people in 1870, the thirty-eighth in 1880, and the thirty-seventh in 1890.

It is a fact, too, that the illiteracy is greater among the colored females than among the males. This is accounted for from the fact that large numbers of the colored men, who are required by law to be able to read in order to vote, attend night schools and prepare themselves. The Democrats of the Southern States, in some instances, have followed the example of Republican Massachusetts and enacted this law. Its beneficial effects are manifest.

Compare Virginia with what is claimed to be the most advanced Republican State and let us see if Virginia suffers much by such comparison. I refer to Massachusetts.

State.	Area in square miles.	Population per square mile.	Persons of school age.	Public common school enrollment.	Per cent of enrollment to total population.	Average length of school term in days.	School-houses.	Square miles to each schoolhouse.	Total population, 1890.
Massachusetts.....	8,915	278.48	650,870	371,492	16.59	169	7,239	1.1	2,238,943
Virginia.....	45,450	41.27	671,779	342,269	29.67	116	6,509	6.5	1,653,980
Difference.....	37,135	237.21	20,909	29,223	4.08	53	730	5.4	582,963

Massachusetts—Number of schools: One to every 309 of population. Virginia—Number of schools: One to every 270 of population.

Massachusetts—One school to every 51 of children enrolled.

Virginia—One school to every 52 of children enrolled.

Massachusetts—Percentage of persons of school age to enrollment, 57.

Virginia—Percentage of persons of school age to enrollment, 50.

Massachusetts has 37,135 square miles less to cover than Virginia. She has 237 more people per square mile, and hence easier to have attendance at schools. She has 20,909 fewer persons of school age, while she has 582,963 more population and 29,223 more enrolled. And she operates a schoolhouse to about each square mile. Virginia has to arrange to operate 1 to about 6 square miles.

Massachusetts has all the advantage of density of population, the per cent of urban population in Massachusetts being 70 and the per cent of urban population in Virginia being 13.

When these statements are considered, it is easy to discern not only why education of the whites as well as the blacks was retarded, but the wonder is that the Southern people could survive at all after passing through the thrashing machine of carpetbag rule.

The carpetbag rule indebtedness fastened on the Southern people amounted to \$290,000,000, which was more than the present net debt of all the States in the Union combined.

State.	Total carpet-bag debt.	Reduced since restoration of Democratic rule.
Alabama.....	\$52,800,000	\$12,400,000
Arkansas.....	19,400,000	8,600,000
Florida.....	15,800,000	1,000,000
Georgia.....	43,600,000	10,500,000
Louisiana.....	40,000,000	16,000,000
North Carolina.....	34,900,000	7,700,000
South Carolina.....	22,500,000	6,900,000
Texas.....	14,900,000	4,300,000
Virginia.....	47,000,000	20,000,000
Total.....	289,300,000	88,400,000

The net debt, 1890, of all the States is \$229,000,000.

A reduction of the burdens of \$200,000,000; and since 1890—for these are the census figures—there have been further reductions, though largely increased appropriations for education and for other purposes for the public good.

Foreign capital began to flow southward as soon as Democratic ascendancy was assured, and even to this day the blackest Republican capitalist North will withdraw his capital at once from any locality in the South on being advised that said locality has gone into the hands of Southern Republicans, for he knows that the mainstay of good, stable, and economical government in the South resides with the white people, 95 per cent of whom are Democrats.

When we look at values and taxation, it can readily be seen that the white people of Virginia have shown what it is to pass through the crucible and come out refined gold. Look at these tabulated statements, and let Massachusetts and New England blush when they cast any slur on the treatment of the colored people in Virginia.

The increase in revenue was on all subjects except two—one, incomes; the other, tax on seals used by the secretary of the Commonwealth.

Increase was \$443,000, without any increase of rate.

Of the \$3,100,000 taxes collected, one-fourth only was laid on the farmers, while they constitute 50 per cent of the population.

The decrease was on incomes, caused, of course, by low prices and the continued depression by reason of gold monometallism.

The annual appropriations show great increase, principally in schools and eleemosynary institutions.

And yet examine the values and compare those of colored people with those of white people.

Out of a total valuation of real estate of \$304,000,000, the colored people hold \$10,000,000, or 3 per cent, and capitation tax imposed by the constitution capitalized makes this valuation \$9,000,000, as they pay only 3 per cent of the taxes, and the capitation tax collected from them is 90 per cent of all the taxes they pay.



I use round numbers: \*

Taxes collected in 1889 and 1896, showing increase.

	1889.	1896.	Increase.
Real estate.....	\$1,064,700	\$1,215,700	\$151,000
Personal property.....	344,000	377,800	33,800
Capitation.....	324,700	364,200	39,500
Income.....	45,900	42,300	3,600
Liquor license.....	257,300	292,600	35,300
Other license.....	341,500	402,300	60,800
Railroad.....	155,400	210,800	55,400
Steamboat.....	2,600	2,900	300
Telegraph and telephone.....	3,200	7,100	3,900
Oyster.....	12,400	31,900	19,500
Notary.....	5,600	5,700	100
Insurance company.....	30,500	62,900	32,400
Express company.....	200	1,400	1,200
Clerks, etc.....	65,000	96,800	31,800
Bank.....	32,700	39,300	6,600
Tax collected by secretary Commonwealth.....	2,800	1,400	1,400
Charters.....		16,200	16,200
	2,727,500	3,171,300	443,800
Increase in all except.....			
Income, which decreased.....		\$3,600	
Secretary Commonwealth collected.....		1,400	
			5,000
Total increase.....			443,800

Annual appropriations.

	1889.	1896.	Increase.
Public schools.....	\$556,000	\$937,500	\$381,500
Pensions.....	65,000	110,000	45,000
Soldiers' Home.....	10,000	35,000	25,000
Asylums.....	281,000	296,000	15,000
Total.....	1,212,000	1,378,500	166,000

Auditor's report, year ending September 30, 1896.

Real estate.

	White people.		Colored people.	
	Acres.	Value.	Acres.	Value.
Farm lands and buildings.....	25,000,000	\$154,900,000	858,000	\$5,500,000
City and town lots and buildings.....		112,900,000		3,500,000
Total real estate.....		267,800,000		10,000,000

So the colored people pay about 3 per cent of the taxes on real estate; the whites about 97 per cent.

Yet they constitute about 40 per cent of the population, and receive the benefit of very nearly half the appropriations for schools.

How about taxes assessed specially for schools?

	Whites pay.	Colored pay.	Percent.
Real estate.....	\$293,200	\$10,900	3
Capitation.....	241,100	123,000	33
Personal property.....	91,200	3,300	30
Income.....	42,300	46	(*)
Total.....	637,800	134,246	10
All taxes.....	1,830,000	180,000	9

\*One-tenth of 1 per cent.

It is not uninteresting to examine a little into—

Strikes in 1894.

	Number.	Number of establishments.
In the United States.....	896	5,154
In Northern States.....	800	4,785
In Southern States.....	96	550
Average per State in the North.....	33	156
Average per State in the South.....	8	50
In Virginia.....	3	3

Of the twenty-four Northern States which gave the above record, twenty-one yielded to MARK HANNA and went Republican in 1896, and four of the New England States are embraced in the number.

The conservatism of Virginia under Democratic rule is manifest, and the treatment of her employees is as 3 to 33 when compared with these States under Republican rule.

Mr. Speaker, it is a well-known fact that capitalists are much less restless about their investments when the Democratic party of

Virginia is in power. I have had a great deal to do with negotiating city and county bonds and bonds for railroads and other improvements, and it matters not how radical a Republican he may be in Boston, New York, or Philadelphia, he prefers to loan his money on city, county, or railroad bonds when the municipalities are under Democratic control. Under the blessings of a kind Providence, we are possessed of a good climate and other natural advantages, which are causing those who have hitherto looked to the bleak and cold Northwest to turn their eyes toward us. Industries which have sought the home of the blizzard and the cyclone are offered inducements to partake not only of our genial climate, our crystal springs, and limpid streams, but to take up our lands amid our social and educational wealth, where their children may be raised "in the fear of God and the love of understanding," where the Sabbath is respected, and where "peace on earth and good will to men" prevail, regardless of politics, and all under Democratic rule. To-day our schools, our higher institutions of learning, our asylums and hospitals, our institutes for deaf and dumb and blind, compare favorably with those of any other State in the Union. In no State are the colored people better cared for. They have the same educational advantages that are accorded the whites, and to the Democratic party of Virginia are they indebted for it.

WHAT THE STATISTICS SHOW.

The revenues of the State are, in round numbers, \$3,000,000, and of this amount the negro pays \$100,000, and yet \$1,000,000 is appropriated and expended on public schools, and the negro schools get nearly one-half of this. We have seen that the negroes constitute 40 per cent of the population, yet they pay only 3 per cent of the taxes and receive nearly 50 per cent of the school fund, all under Democratic rule.

The annual criminal expenses of the State are about \$250,000, 80 per cent of which is chargeable to the 40 per cent of negro population. The census of 1890 gives the number of native white people convicted of crime, in groups, as follows: 1, North Atlantic States; 2, North Central States; 3, South Atlantic States; 4, South Central States. Nos. 1 and 2 embrace all the Northern States except the extreme Northern Western States, and a population of 40,000,000. Nos. 3 and 4 embrace all the Southern States except Missouri, and a population of 20,000,000. In Nos. 1 and 2 the number of native whites convicted of crime is 7.5 per 10,000. In Nos. 3 and 4 it is 3.2 per 10,000, and in Virginia it is 2.3 per 10,000. This does not speak badly for our State under Democratic rule.

The census of 1890 also discloses the fact that everything that industry and integrity, honesty and energy could accomplish has been accomplished in Virginia, and this under Democratic rule; 1,000,000 acres more of improved land, 2,500 more farms cultivated, and millions of bushels and tons more of wheat, corn, hay, and farm products generally; 12,000,000 more pounds of tobacco, 3,000,000 more bushels of potatoes, 500 more manufacturing establishments, 19,000 more employees, \$12,000,000 more wages paid, \$22,000,000 more material used, valued at \$37,000,000 more; 13,000 more men employed in fisheries and \$2,000,000 more capital, and taxation 22 cents on \$100 value less than when we emerged from carpetbag and scalawag rule.

Police regulations and society have been no better in any State than Virginia. Statistics on conjugal relations speak volumes, notwithstanding 40 per cent of our population are an inferior race. Thirty-five per cent of our people are married, while the average in the United States is 28 per cent, as per last census. While there are 2 persons out of every 1,000 divorced in the United States, there is but 1 out of every 1,000 in Virginia. The census shows that 20 per cent of the population of the United States are pupils in the schools. In Virginia it is 22 per cent. There are 365,000 teachers in the United States, and 9,000 in Virginia, or up to the general average. Virginia is the sixteenth State in population, but thirteenth in religious communicants. In other words, above the average compared with population, and below the average in crime. She is next to Georgia of the Southern States in providing for her disabled soldiers.

Virginia is suffering under the blight of gold monometallism, domination of trusts, high tariff, and burdensome taxation, all children of Republicanism, and not from Democratic rule within her borders. Her farmers constitute 50 per cent of her population, and they can produce more than they ever did and of better quality, but they can get no remunerative prices for their products. Their energy, long suffering, and self-denial entitle them to some consideration in national legislation. Denied this for the time being, they are not apt to run after strange Republican gods in their own State. They know that it is the trust, the monopoly, the combination of Northern capital with Republican politics, and not Virginia Democracy, that has closed and is keeping closed the doors of prosperity to them. The gold trust is the greatest of these. The free coinage of silver will lighten their burdens and they are demanding it now more than when they voted so solidly for William Jennings Bryan; and there is no fear that they will make any mistake next fall.

No calamity could befall Virginia so great as that which would close around us the night of Democratic defeat. The negroes blindly follow the white Republicans, even voting for Democrats with McKinley proclivities when the Republican leaders order it, regardless of what they so often term the fundamental principles of the G. O. P.; and yet, no matter whether in national or State elections, if the Republicans are successful, the negro takes a back seat while the white Republicans take the offices.

In other words, there are a select few of white Republicans who claim the offices, while the white contingent of the Republican party in Virginia is probably not 10 per cent of the whole. We must stand together for war against plutocracy, monopoly, and trusts, and for home rule and the management of our internal affairs without Federal interference, and bide our time on national questions—the free coinage of silver as well as of gold, tariff for revenue, and income tax by constitutional amendment (all of which will come)—and again roll up the normal white majority in the Old Dominion.

Mr. Speaker, the Democratic party of Virginia needs no apologist for its acts in the past; no sponsor for its promises for the future. The glorious history of Virginia is the history of Virginia Democracy. Point to any good law under which we live, and we will point to a Democratic legislature that enacted, a Democratic executive that enforced it. Point to a bad one, and we will point to an accidental legislature and executive temporarily in charge of the affairs of the Commonwealth.

In such times of financial depression as we are passing through there are those whose opportunity has come. They ever lay at the door of the Democratic party all the ills that afflict the land. They decry the commendable acts of others with the purpose of stimulating dissatisfaction and revolt, whilst they are themselves the outgrowth of misguided lives. They lose sight of the fact that the highest patriotism and philanthropy consists in stimulating their fellow-men to elevate and improve themselves, and that the progress of the State is dependent on individual energy, industry, and virtue.

Our State debt has been settled on a basis alike honorable to the creditor and the debtor by the consent of both parties, and with full satisfaction to each, and yet showing a diminution of fixed annual charges. The State has paid all arrearages to the public schools, which in some sections had been languishing, and now appropriates \$937,000 annually to sustain them, being an increase of \$81,500 over the appropriation of 1889.

The asylums and other eleemosynary institutions had been in great need of proper support, but, through means devised and adopted by a Democratic administration in the Commonwealth, large additions have been made to the buildings and \$296,000 appropriated in 1892 to secure additional care, comfort, and treatment of our unfortunate insane—an increase since 1889 of \$15,000.

Buildings and other improvements have been added to your literary and scientific institutions, and they are all now on the road to increased prosperity and greater usefulness.

Pensions to our disabled and dependent Confederate soldiers to the extent of \$110,000 are annually paid, and \$35,000 is annually appropriated for the soldiers' home. In other words, after paying all of our just obligations in the way of interest, expenses, and maintenance, we now appropriate \$1,376,000 annually for the care and education of our children and for the custody, comfort and proper treatment of our afflicted.

What pledges has the Democratic party in Virginia made?

1. It pledges itself to extend to the public-school system a loyal and generous support, until every child in the Commonwealth shall receive the benefits of an education.

2. To the encouragement of desirable immigration, and to the enactment of laws to promote and advance the agricultural interests of the State.

3. To the enforcement of rigid economy in the administration of the State government, and to the revision of the laws regulating criminal expenses.

4. To the enactment of laws still further equalizing the assessment of property returned for taxation, and to the relief, as far as possible, of the farming lands from taxation by the imposition of taxes on avocations, enterprises, and other interests, which can better bear the burden.

5. To fostering the oyster industry for the benefit of the whole people, opposing all transfer or surrender of the public right therein to individuals, companies, or syndicates, and to the correction of all unequal and unjust taxation which may be on it.

6. To the continuance of liberal appropriations to the disabled and needy Confederate veterans.

7. To legislation having in view the improvement of the condition of the public roads.

The pledges are full and unambiguous. They were made by the solemn declaration of the representatives of the Democratic people of Virginia in the largest convention ever assembled in the State, and they have been faithfully carried out.

Summing up some things the Democratic party has more recently done since it regained power in 1883:

The public free schools have been fostered so that they have steadily advanced in numbers and efficiency. The amount of annual appropriation to them in 1883 was \$601,198.20, and in 1896, \$937,512.07.

The Female Normal School at Farmville has been established for the education of teachers for the public schools. The buildings and grounds of the school are commodious, and the State appropriates annually \$15,000 for its support.

Large and substantial dormitories for students, professors' houses, schoolhouses, and workshops have been erected for the Agricultural and Mechanical College at Blacksburg, and that institution is now in a highly prosperous condition.

An agricultural department has been created since 1883 and is sustained at an annual cost of about \$12,000.

Disabled soldiers and the widows of soldiers who lost their lives in the late war are cared for, the State now paying annually \$110,000 in pensions and \$35,000 for support of the Soldiers' Home.

The Southwestern State Hospital has been erected and the other three State hospitals for those afflicted with insanity have been greatly enlarged since 1883, and the State contributed in 1896 to the care and maintenance of these unfortunates the large sum of \$313,187.22.

The deaf, dumb, and blind are supported and educated in the commodious and convenient institution at Staunton, the appropriation to which in 1896 was \$35,000.

The oyster grounds have been surveyed and platted and are now protected by a sufficient number of steamers and sailing vessels.

When the Democrats obtained control of the State government in 1883, these grounds were being rapidly destroyed for want of protection. They now yield a revenue to the State and give employment and support to a large number of her people.

If comparison is made of the censuses of 1870 and 1890, it will demonstrate that everything increased except value. Suppose Federal legislation had been aimed to raise the price of produce instead of to depress it, does anyone doubt that prosperity would have resulted? But high-protective tariff was laid that the farmer be required to pay more for what he consumed that the great manufacturers might profit by his fall, and silver was demonetized that his produce might be purchased by this same manufacturer at reduced prices to still further enhance this princely wealth.

Look at this table:

Comparison Virginia and end of carpet-bag rule 1870 and 1890.

[From census reports.]

	1870.	1890.	Increase.	Decrease.
Number of farms.....	74,000	127,000	53,000	
Size of farms.....acres..	246	150		96
Improved land.....do....	8,000,000	9,000,000	1,000,000	
Total value.....	\$246,000,000	\$295,000,000	\$49,000,000	
Farm implements and machinery.....	\$5,000,000	\$6,500,000	\$1,500,000	
Live stock.....	\$25,000,000	\$31,000,000	\$5,000,000	
Value of farm products.....	\$21,000,000	\$42,000,000		\$21,000,000
Horses.....number.....	152,000	242,000	90,000	
Mules.....do.....	25,000	37,000	11,000	
Work oxen.....do.....	45,000	61,000	16,000	
Milk cows.....do.....	188,000	273,000	85,000	
Other cattle.....do.....	277,000	412,000	135,000	
Swine.....do.....	674,000	796,000	122,000	
Sheep.....do.....	370,000	495,000	125,000	
Butter.....pounds.....	7,000,000	17,000,000	10,000,000	
Chickens, 1880.....number..	2,000,000	6,500,000	4,500,000	
Other poultry, 1880.....do....	650,000	990,000	340,000	
Eggs, 1880.....dozen.....	8,900,000	13,550,000	4,650,000	
Honey.....pounds.....	505,000	1,500,000	995,000	
Wax.....do.....	26,000	44,000	18,000	
Corn.....bushels.....	17,000,000	27,000,000	10,000,000	
Wheat.....do.....	7,000,000	8,000,000	1,000,000	
Hay.....tons.....	300,000	656,000	356,000	
Tobacco.....pounds.....	37,000,000	49,000,000	12,000,000	
Irish potatoes.....bushels..	1,200,000	2,300,000	1,100,000	
Sweet potatoes.....do.....	800,000	2,800,000	2,000,000	
Value market-garden produce.....	\$505,000	\$655,000	\$150,000	

Let us stop a while to make some comparisons as to crops in Virginia and the United States. Virginia is the fifteenth State in population.

In the corn crop she is sixteenth in acreage—1 acre to each inhabitant. In the United States it was 1.16 acres.

It was the seventeenth in production, having raised 17 bushels to each inhabitant. Average in the United States was 30 bushels per capita.

Iowa, which produced about 15 per cent of all produced in the United States, averaged on its fertile fields 41 bushels to the acre, while New Hampshire, producing only five one-hundredths of 1 per cent of the total crop, averaged as much per acre as Iowa—the one with its virgin soil of unsurpassed fertility; the other with its thoroughness of cultivation.



Virginia improvement is greatly due to more thoroughness in cultivation, as evidenced by the average reduction in the size of her farms.

Vermont, another State which must resort to thorough cultivation, exceeded in yield Nebraska and Illinois, while it produced only eight one-hundredths of 1 per cent of the total crop in the United States, the latter two States producing, respectively, 14 per cent and 10 per cent of the total crop.

Virginia equaled the State of Washington per acre and exceeded North Dakota, Utah, Montana, Wyoming, and Colorado.

In 1850 Virginia was the sixth State in the production of iron ore. The war over, the State fell upon evil times, and 1870 found her struggling, after the carpetbag rule, as the twelfth State. It at once began to regain what it had lost, and in 1880 it was eighth and in 1893 it ranked fifth. This under Democratic rule. In 1894 it had reached the fourth place, and it has held its own. Since we got from under the baneful influence of that direful rule prior to 1870, Virginia has produced more manganese than any State in the Union. We produced 3,600 tons in 1880; comparatively none before 1870. We produced 16,200 tons in 1891.

The first systematic coal mining in this country was done in Virginia in the Richmond coal fields.

The records show that in 1870 the coal production in Virginia had been unimportant. In 1890 it had reached millions of tons, the counties of Tazewell and Wise alone furnishing in 1894 955,000 tons. Beginning in 1880 with 112,000 tons, it reached 1,229,000 tons in 1894 under Democratic rule.

No coke ovens started before 1870 of any moment, yet in 1883 there were 200 of them, with an output of 25,000 tons; in 1894, 736 ovens; capacity, 180,000 tons. Rising from fortieth in 1870, she became the fifth State in 1894.

In wheat Virginia is the sixteenth State in acreage, leading Iowa, Washington, Colorado, and all the Southern States except Kentucky, Tennessee, and Missouri. In actual production, Virginia is twentieth, ahead of some of the more favored States in the West and of all the other Southern States except Missouri, Kentucky, Maryland, and Tennessee.

Look backward at 1870, and we should be greatly encouraged at this great stride in improvement.

In the South Atlantic States the average per acre is 10.25 bushels, and Virginia maintained it.

In oats Virginia was nineteenth in area and nineteenth in production; but in 1870 she was away below this, being in the thirties.

In rye Virginia rose to fourteenth, both in acreage and production.

Tobacco is Virginia's greatest crop. She has risen from the eighth to the second place since 1870, and still holds it.

One-half of the area in the United States devoted to tobacco is in Kentucky and Virginia.

Virginia raised in 1890 the largest crop of Irish potatoes of any of the group of South Atlantic States, and there were only nineteen States ahead of her.

In the peanut industry it stands at the head of the list; and under Democratic rule she has attained the fourth place in the production of apples.

In mineral springs, stimulated by good government, she stands first, having 357, whose waters are used commercially over the whole world. She now has 10 per cent of all in the United States.

In everything except value of farm produce increase is shown. So, then, if value had shown advance *pari passu* with increased consumption and production, it follows as axiomatic that increased prosperity, which is governed by price, would have followed instead of depression, misery, and want. The Democratic party in Virginia has performed its part. There was progress in everything except price, which was regulated not by overproduction, for there were more people to consume, but by underproduction of money and therefore less with which to buy.

Again, Virginia's greatest industry is the farming interest.

The urban population of the United States had increased from 3.35 per cent at the beginning of this century to 29.20 per cent in 1890.

In other words, while about 3 out of every 100 lived in cities of 8,000 population and upward, now about 30 out of every 100 do.

This marks a great decadence in the farming industry and shows that the laws under which we live tend to drive people from farms to cities.

From 1790 to 1880—ninety years—the increase in the number of cities of 8,000 was from 6 in 1790 to 286 in 1880; and yet from 1880 to 1890—ten years—the increase leaped from 286 to 448.

But Virginia under Democratic rule fostered her farming interest as best she could, and while the average increase in urban population in the United States was 29 per 100 in 1890, in Virginia it was only 10 per 100; and the increase in the last decade in the United States was 7 per 100, while in Virginia it was only 3 per 100.

One-third of our people are church communicants, and nowhere is the Sabbath more respected. Thirty States are behind us in

this respect; 34 States are behind us in value of church property; 38 States are behind us in seating capacity; 38 States are behind us in number of church buildings; 36 States are behind us in number of organizations; and yet we are fifteenth in population. Our death rate lowered in the last decade from 16 per 1,000 to 14 per 1,000.

But we have been constantly oppressed by Federal legislation, and our farmers lost in the last three years \$2.72 per acre on wheat and \$5.65 per acre on corn.

We had in 1890 55 per cent of all the cultivated land in corn, 26 per cent in wheat, and 17 per cent in oats.

We were the seventeenth State in production of cereals, and the sixteenth State in area of production; the twentieth State in production of wheat, and the sixteenth State in area of production; the nineteenth State in production of oats, and the nineteenth State in area of production; the second State in production of tobacco, and the second State in area of production.

We were fourth in fisheries, the value of our product being \$4,800,000; and our oyster industry by the census of 1890 made us the second State, with 19,000 employees, \$2,600,000 capital, 1,145 vessels, with 14,000 tonnage, valued at \$689,000, and 8,726 boats, valued at \$441,000, the product from this industry being 6,500,000 bushels.

Our manufactories employ 59,591 people, pay \$19,600,000 in wages, and turn out a product valued at \$88,300,000.

The Constitution of our country gave us the right to both gold and silver as money, and as long as Federal legislation denies the right to one, so long will our country be in peril and poverty and distress will stalk abroad in the land.

Our Constitution places it in the hands of Congress to coin money and regulate the value thereof, and all the international agreements in the world can not deprive Congress of that right; and Mr. WOLCOTT and Mr. Stevenson had as well pack their little trunks and come home. There is no halfway ground to the silver question, and I will oppose and vote against any international agreement that does not accord to silver identically the same rights as are accorded gold at the mints of the United States. As long as this question is unsettled, we are necessarily subjected to other perils.

There is the peril of immigration. That good immigrants will benefit us, I think is an agreed fact; but when we see the agents of steamboat lines, under the direction of aggregated capital, dumping immigrants here without education, family ties, means of support, and capacity—paupers and criminals—it is time for our legislative friends to recognize that protection is more needed on this product of gold-standard countries than on any other. It is a fact worthy of note that gold-standard countries are the principal countries that send pauper labor to this country. This commodity grows spontaneously in Italy, Hungary, Austria, and Germany. Some writer has said that "God takes care of children, fools, and the United States." To this I attribute the reason why we have not already been ruined by the pauper immigration from gold-standard countries.

Do you not know that we have suffered in the last few years an invasion twice in number to the Goths and Vandals that swept over southern Europe? Of the 10,000,000 who reached us the first eighty years, few were paupers; but so much has the growth of pauperism been encouraged in the gold-standard countries, so great has been the attracting influence in this country, and so great has been the expellant forces in the old countries that even the Republican party sees that something must be done after preventing for ten years what Democrats clamored for.

Here the average consumption for a person is 41 bushels of grain and 120 pounds of meat, while in gold-standard Europe it is 18 bushels of grain and 57½ pounds of meat. Of course it is inviting for them to come.

Then they can be landed proprietors here, but the paupers are sent here by the aggregated capital. They are evicted from large estates that deer parks may be established, so that a landed proprietor may ride 100 miles on his own game preserve. We have the attracting influence here and the expellant force there.

So it behooves us to guard against pauper immigration that our own fields may not become great landed possessions ruled by a lord and governed as a small State within the bounds of our Republic; that our own brain and brawn may not be enervated and rendered powerless; that our own artisans and mechanics may not be driven from their homes into that verge of want that smacks of slavery, to that dependence which means misery to the home and poverty to the wife and children.

And this brings to view the perils of the greatly increasing urban population.

In the beginning of our Republic, one-thirtieth of our population lived in cities of 8,000 inhabitants and over; in 1800, one-twenty-fifth; 1830, one-twentieth; in 1850, one-eighth; 1870, one-fifth; in 1880, one-fourth, and to-day the urban population increases with much more rapidity than the rural population. In 1800 there were

only 6 cities with a population over 8,000. In 1880 there were 286, because of Republican national legislation, and in 1890 it reached, as I said before, 448.

The city is a menace, because all vices center there. It has a peculiar attraction for the pauper, be he immigrant or native, and it is in the city where great wealth is amassed, which is the third great peril. Here Mammon has the widest sway. Luxuries are gathered that dazzle the eye and tempt the appetite.

Dives and Lazarus are brought face to face. Here is the ennui of surfeit and the desperation of starvation.

The rich are daily richer and the poor are hourly poorer.

Men and women die daily sharing trouble, enduring hunger and cold, waiting without hope, without a single ray of comfort, with no refuge from starvation except the prison or the grave.

A judge of the New York supreme court said that a large class, if not quite the majority, of the population of New York just manage to live, and to whom the rearing of two or more children means inevitably a boy for the penitentiary and a girl for the brothel.

Such dangerous elements should not be multiplied. And they are due in this country mainly to the increased pauperism of pauper immigration, which furnishes food for all kinds of vice and displaces our own well-to-do laboring people, who hitherto have enjoyed a happy and peaceful home and a joyous and prosperous life.

The fundamental idea of popular government is distribution of power. It has been the struggle of ages to wrest the power from the few and place it in the hands of the many. This can not be continued with the money of the country in the hands of the few to purchase control and the million of pauper laborers coming here ready to be purchased.

The boss makes his bargain and sells his 10,000 voters, or, what is the same thing, purchases their franchise for others.

We are the youngest of all nations, yet we are the richest, and our resources have hardly begun to be developed. We have seen how one man could demand \$20,000,000 for election purposes and when it was granted him in less than a day.

We have seen him, as I believe, buy the office of the Chief Executive of the nation and demand at once a seat in the United States Senate to pose as the peer of Webster and Clay and Calhoun, and yet be without the first qualification for such a position.

These are some of the dangers and perils that confront us; and it should be to us a matter of congratulation that Virginia is to-day the most American State in the Union; that we have not been afflicted with pauper immigration, a very small part of our population being of foreign birth, and those who are are Virginianized and are well-to-do, frugal, and industrious people and good and loyal citizens.

Let us, then, leave no stone unturned to preserve our ancient landmarks. The world knows that we are not for sale to the gold barons, and that we propose to fight first for the money of the people—free silver, 16 to 1—to keep them from further want and slavery; that we resist pauper immigration that must degrade our people and drive them from the workbench, the press, the plow; that we invite capital to come in and partake of our advantages, yet resent the encroachments of ill-gotten wealth on the liberties of our people.

Virginia is the land we love, and if the consummation of human progress can be reached anywhere, it is within the borders of the Old Dominion. If there is to bud and blossom a flower of higher civilization, nowhere on earth will it thrive better or give out more fragrance than in Virginia.

Mr. Speaker, in conclusion I would simply add that this tariff bill is but the repetition of Republican legislation to foster and build up trusts, to favor aggregated capital, and to continue the oppression of the poor, that in growing poorer the rich may grow richer. I have endeavored to show that but for such legislation, always unfriendly to my State, she would have blossomed like a rose. The time is not far distant when the people will rise in their might and dethrone your party from its proud and arrogant eminence and power, and then Federal legislation will lend its aid to State effort, and progress and prosperity will become synonymous and will travel the same road with energy and industry, all being linked with human happiness, and civil and religious liberty. Prentiss said that "the Architect of the Universe could have bridged the ocean, but He left it for us to do. He could have healed all wounds, cured all cares, dried the widow's tears, and hushed the orphan's sigh, made the poor rich and the weak strong." But He has left the problem for us to solve. And the people of my State are patient, law-abiding, God-serving people, and they recognize that on the tree of life hangs the precious fruit of prosperity, and he who would gather it must water it with the sweat of his brow. And we recognize that we must do our part. And at no far distant day the Republican party will see the obstacles which it has deliberately placed in the pathway to the prosperity of the masses of the people removed, and the Old Dominion will once again bloom and blossom like a rose.

### "As Others See Us."

Protests of Foreign Governments—Twenty Official Communications from Twelve of the Leading Commercial Nations of the World—All Agree that a Protective Tariff is Mainly Paid by Foreigners, and All Ask Us to Make the Duty Low for Their Benefit.

### SPEECH

OF

HON. M. N. JOHNSON,  
OF NORTH DAKOTA.

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 13, 1897.

On the report of the committee on conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. JOHNSON of North Dakota said:

Mr. SPEAKER: As my final contribution to the tariff discussion of 1897, I desire to present to the House and to place before the country, in the RECORD, in convenient and enduring form for the use of writers and students of political economy, the protests and communications from foreign governments which, as a member of the Ways and Means Committee, it became my duty to carefully consider while assisting in framing the tariff of 1897, popularly known as the Dingley bill.

Some of these communications were directed to the President, some to the Secretary of State, some to the Finance Committee of the Senate, and some to the Ways and Means Committee of the House, or its chairman, Mr. DINGLEY.

All were intended to influence legislation, all were laid before the committees, and all received careful and respectful consideration.

I have endeavored to make the collection complete, and it is believed that every official communication from any foreign government that was received or considered will be found complete in the following:

#### LIST OF PAPERS.

1. From the Danish minister, March 29, 1897.
2. From the Italian ambassador, April 4, 1897.
3. From the Italian ambassador, May 9, 1897.
4. From the Italian ambassador, May 26, 1897.
5. From the Belgian minister, April 16, 1897.
6. From the Belgian minister, May 30, 1897.
7. From the Argentine minister, May 1, 1897.
8. From the Turkish minister, May 10, 1897.
9. From the Japanese minister, June 3, 1897.
10. From the Swiss minister, June 17, 1897.
11. From the British ambassador, December 26, 1896.
12. From the same, June 18, 1897.
13. From the Chinese minister, June 29, 1897.
14. From the Austro-Hungarian minister, May 28, 1897, in Senate Executive Document No. 141, Fifty-fifth Congress, first session.
15. From the German ambassador, April 5, 1897, in Senate Executive Document No. 97, Fifty-fifth Congress, first session.
16. From the consul-general of Greece, April 10, 1897.
17. From the Belgian minister, May 27, 1897.
18. From the Swiss minister, April 29, 1897.
19. From the same, May 20, 1897.
20. From 53 Irish members of the British Parliament, March 17, 1897.

[No. 1.]

LEGATION OF DENMARK, Washington, March 29, 1897.

Mr. SECRETARY OF STATE: The debate on the new customs tariff in the United States Congress is followed with deep interest in Denmark, both by the King's Government and by the producers, merchants, and shipowners of our country.

There is a quite considerable exchange of productions between Denmark and the United States, which exchange is effected by both Danish and American vessels, and also by vessels belonging to other nations.

The tendency of this trade is to increase from year to year, and, in the opinion of all persons who are competent to judge, the commercial relations between our two countries, which have happily thus far been so much favored by our respective laws, are still susceptible of great development. My Government deems it to be its duty to spare no effort to enable our country to derive the greatest possible advantage from these conditions. It is convinced that the United States Government is aware that a prosperous trade with Denmark is desirable from the point of view of American interest, and that joint efforts are indispensable to reach a result satisfactory both to the United States and Denmark.

Holding these views, my Government has just instructed me to call your excellency's attention to some points of the tariff in which the interests of Denmark and the United States appear to clash, and on which an understanding seems both desirable and possible.

The Danish tariff is exceptionally favorable to the importation of American products. Thus raw metals, butter in casks, stone, trees, plants, all kinds of grain and grain products, fertilizers, both natural and artificial, oil cake (rape cake, etc.), dyewoods, various kinds of seeds, fat, lard, bacon,



hams, meat, and sausages are exempt from any duty and enter Denmark free.

The importation of these articles is considerable, and the other American products which are imported into Denmark are subjected to an extremely low duty, not exceeding 1 or 2 ore (Danish money) per pound. Such are petroleum, molasses, and sirup.

It is in every way desirable that this great facility of commerce, due to the liberality of our tariff, may continue and be developed. The admission to the United States of certain Danish products on favorable terms as regards the tariff régime, while it would be only a fair return for the advantages offered by the Danish tariff, would necessarily exert an influence on the subsequent development of that tariff.

Among these products I have the honor to call your excellency's attention to the following: Beer, cement, white cabbages, hemp seed, porcelain, hides and skins, wool, rags, pebbles, lime, chalk, gloves, leather, condensed milk, granite, monuments, dairy machinery, and Doecker tents.

In obedience to my instructions, I hasten to beg your excellency to be pleased, in the well-understood interest of our respective countries, to subject what I have just had the honor to state to an examination, and to use your good offices in the proper quarter, to the end that a customs régime as favorable as possible may be secured for the above-mentioned products.

To this effect I have the honor to suggest that, if your excellency sees no objection thereto, the contents of this note be communicated to those committees of the Senate and House of Representatives which are specially charged with the duty of examining the tariff. I should be particularly grateful to you if, in transmitting these wishes to Congress, you would commend them to the favorable consideration of that body.

Be pleased to accept, Mr. Secretary of State, a renewed assurance of my high consideration.

His Excellency JOHN SHERMAN,  
Secretary of State.

C. BRUN.

The right to make its own tariffs high or low is conceded to every nation by every nation.

The rate is a matter of opinion and judgment for each government to fix at the point most advantageous for its own people. We are making this tariff solely with a view to benefiting the people of the United States. Other people will make their tariff laws in the same way, for their own advantage.

This is the only right and sensible way for any country to make its laws. In framing this law we have placed everything upon the free list which we can not produce to advantage in this country except a few luxuries.

This is done in order to remove all restrictions and burdens from the importation of all articles which we do not ourselves produce in great abundance. This covers more than half of our enormous imports.

But when it comes to such things as the chief products of our own farms, forests, and factories, which we do not need to ship in from abroad, then we have placed such a rate of duty on the imported article as will, in our judgment, equalize the cost of production (mainly the wages of labor) at home and abroad.

Other countries, except the few who have adopted the policy of a "tariff for revenue only," sometimes called free trade, make their tariffs about in the same way. We have never asked any country to make its tariff laws with the slightest reference to our benefit.

We expect them to be guided entirely by enlightened selfishness. If we have anything for sale which they can not advantageously produce, it will be to their interest to put it on the free list, just as we do.

That will afford us all the market we need.

Let us now, in the light of this policy, examine the proposition of the Government of Denmark. There is not an article in the entire list for which the Danish minister solicits low duties (favorable customs régime) of which we do not already produce a surplus except wool and hides, and even these we ought to produce, and will produce, in sufficient quantities to supply our own needs.

Every dollar sent to Denmark for "beer, cement, cabbages, hemp seed, porcelain, pebbles, lime, chalk, gloves, leather, condensed milk, granite monuments, dairy machinery, and tents" takes a dollar away from some American citizen who would be very glad of a chance to earn an honest living here by supplying those things to our own market. These may seem small items, but our industrial life is made up of just such atoms. If we buy these things of the Danes, we must buy that much less of our own fellow-citizens. Shall we keep the money at home or send it to Denmark? Shall we furnish bread and wages to our own fellow-citizens or to the subjects of the King of Denmark?

I concede the right of the minister of Denmark to respectfully offer these suggestions, as he has done. But as a loyal citizen of my own country and a faithful servant of my own people, preparing a law "to provide revenue for the Government and to encourage the industries of the United States," my judgment and my sense of duty will not allow me to follow his advice.

[No. 2.]

EMBASSY OF HIS MAJESTY THE KING OF ITALY,  
Washington, April 4, 1897.

MR. SECRETARY OF STATE: The news which has reached Italy that the tariff recently adopted by the House of Representatives levies the very high duty of 75 cents (in all) per box on oranges and lemons imported into the United States, whereas the duty has hitherto been 22 cents per box, has caused great agitation there, especially in Sicily.

In pursuance of the instructions of the King's Government, which transmits this intelligence to me, I have the honor to call your excellency's atten-

tion to this state of things, and to solicit your good offices for the purpose of preventing the imposition on Italian oranges and lemons of a duty which will prove so disastrous to the Italian trade in those fruits.

Tendering your excellency my thanks in advance, I further take the liberty to submit to you for examination a memorial of the Fruit Importers' Union of the city of New York, relative to paragraph 267, Schedule G.—Agricultural products and provisions.

Accept, etc.,

HON. JOHN SHERMAN,  
Secretary of State, Washington.

FAVA.

[No. 3.]

EMBASSY OF HIS MAJESTY THE KING OF ITALY,  
Washington, May 3, 1897.

MR. SECRETARY OF STATE: The Chamber of Commerce of Leghorn has sent to the royal ministry of foreign affairs, together with the letter which I have the honor herewith to inclose in the original, a petition from the principal manufacturers of candied fruits in the city of Leghorn, who earnestly beg the United States Senate not to approve the exorbitant duty of 60 per cent which is imposed upon candied fruits by the American tariff bill now under discussion.

The aforesaid Chamber of Commerce hopes that the serious injury may be seen which will accrue to the manufacture of candied fruits from that absolutely prohibitory duty.

I have the honor, in pursuance of instructions received from the King's Government, earnestly to commend to your excellency's good offices the desire expressed by the Chamber of Commerce and the manufacturers of candied fruits of the city of Leghorn.

Thanking you in advance, Mr. Secretary of State, for the courtesy with which you will be pleased to comply with this my request to the reciprocal benefit of the interests of our two countries,

Accept, etc.,

HON. JOHN SHERMAN,  
Secretary of State, Washington.

FAVA.

PROVINCE OF LEGHORN, CHAMBER OF COMMERCE AND ARTS,  
Leghorn, April 16, 1897.

The manufacturers of candied fruits of this commune, who are seriously and very properly concerned, owing to the large increase proposed by the Congress of the United States of America on the import duty to be levied on candied fruits, have addressed to this chamber the inclosed petition, whereby they request it to use its influence to the end that the King's Government, through the Italian embassy at Washington, take steps with a view to preventing the approval of the increase in question by the United States Senate.

The chamber hastens to communicate the aforesaid petition to your excellency, in the hope that the very serious injury may be prevented which would accrue to the manufacture of candied fruits from that absolutely prohibitory duty, this manufacture being one of the most important in this city, and its product being now, for the most part, exported to the United States of America.

It is certain that if this increase should be definitely approved, this industry would receive a fatal blow, and agricultural industry would also be greatly injured thereby, since the citrons, lemons, and oranges which are candied come in great part from the southern provinces of Italy, so that the crisis in the trade in these fruits which now causes such grave concern to the Italian Government would be rendered still more serious.

The American Senate should consider that a prohibitory duty like that which has been submitted to it for approval would wholly prevent the importation of the products named, while no benefit would result from it to the Treasury; and that Italy might in turn levy an increased duty upon some articles of American production, such as, for instance, cotton and petroleum, which would be more hurtful to the United States than the increase which it is proposed to levy on candied fruits would be to Italian industry.

N. COSTELLA, President.

His Excellency the MINISTER OF FOREIGN RELATIONS, Rome.

To His Excellency NICCOLA COSTELLA,  
President of the Chamber of Commerce and Arts of Leghorn:

The undersigned, who are engaged in the manufacture of candied fruits in this city, beg the honorable Chamber of Commerce over which you preside to be pleased to use its influence with his excellency the minister of foreign relations, to the end that the embassy of Italy at Washington may take measures to secure from the United States Senate a more equitable usage, and one better calculated to benefit the American Treasury, for the candied fruits which are exported from Italy to the United States of America.

The import duty which has hitherto been imposed on candied fruits was 30 per cent ad valorem, and while this rate was in force, the United States Government derives from this source an annual income of about \$500,000. In the new tariff prepared by the House of Representatives the duty on the aforesaid article was 2 cents per American pound, which was a little less than 30 per cent ad valorem, but the Congress doubled the figure and raised the duty to 4 cents per pound. Such an enormous tax, which would amount to almost 60 per cent ad valorem, would be equivalent to actual prohibition, and would absolutely put a stop to any exportation from Italy, which does not seem to the undersigned to be in harmony with the views of the American Government, which doubtless, while it proposes to protect its own industries, seeks at the same time to secure the largest amount of revenue possible for its Treasury by means of import duties.

The duty of 2 cents per pound, which was proposed to the Congress, would have accomplished this double purpose, because, while it would have amply protected American manufactures, it would have been a source of abundant revenue to the United States Treasury.

The undersigned believe that a statement of the foregoing reasons, made in such a manner as may be thought most opportune by the Italian embassy to the United States Senate, might induce that body to modify the tariff to the reciprocal advantage of both countries.

Very respectfully,

ENRICO TORELLI & CO.  
J. P. PISANI  
FEHR WÄLSER & SONS.  
N. VARIANI  
GIOVANNI RAMACIOTTI  
ANGELO GAZZO.  
CANESSA BROS.

LEGHORN, April 14, 1897.

I certify that the foregoing is a true copy of its original.

ANO. GIULIO SALVERTI, Secretary.

[Seal of the Chamber of Commerce of Leghorn.]

[No. 4.]

EMBASSY OF HIS MAJESTY THE KING OF ITALY.  
Washington, D. C., May 26, 1897.

MR. SECRETARY OF STATE: The Government of the King, to which I hasten (as I stated to your excellency in my note of the 16th of March last) to communicate the observations of the honorable Secretary of the Treasury [Agriculture] relative to the ministerial sanitary decree of January 26, 1897, which requires a consular visé for certificates of origin, issued by American authorities and accompanying shipments of meat, has now informed me that the question will be submitted for examination to the zootechnic and epizootic board at one of its next sessions.

His Majesty's Government, however, desires to perform a friendly act toward that of the United States by frankly forewarning it that it could in no case be induced to modify the provisions contained in the aforesaid decree in accordance with the desire expressed by the Federal Treasury Department (Department of Agriculture) if the United States should persist in retaining in the new customs tariff the exorbitant duties to which I have had the honor to call your excellency's attention in my preceding written and verbal communication.

The same warning has been communicated, with the same amicable intent, by my Government to the representative of the United States at Rome, who has presented a complaint similar to that which, after receiving your excellency's note of March 15, I transmitted to the royal ministry of foreign affairs. Accept, etc.,

FAVA.

His Excellency JOHN SHERMAN,  
Secretary of State, Washington.

Document No. 2 states that a duty of 75 cents a box on oranges and lemons "will prove disastrous to the Italian trade in these fruits." Well, what of it? We can get all the oranges and lemons we want from California and Florida, and of a superior quality, but we must pay living, American wages to men laboring in the groves. The evidence before the committee indicates that much of the labor of cultivating and picking citrus fruits in Italy is done by women and children at wages ranging from 20 to 30 cents a day. These labor conditions are scarcely equalized in the new tariff.

No. 3 states that the industry of manufacturing candied citrons, lemons, and oranges in the city of Leghorn would "receive a fatal blow" by the enactment of the new American tariff.

Well, what then? If worst comes to worst, our enterprising American confectioners might learn to manufacture candied fruit in this country.

It ought not to be very difficult to learn how to saturate and coat citron, orange, and lemon peel with sugar. But we do not want to compete evenhanded with cheap child labor.

The benefit of a low tariff for Italy is plain enough, but the only hope of any benefit to the United States held out by the ambassador is that if we comply with the request of his Government, then "the question of the sanitary decree requiring a consular visé for certificates of origin issued by American authorities and accompanying shipments of meat will be submitted for examination to the zootechnic and epizootic board at one of its next sessions."

We are, however, "warned," both in Washington and at Rome, that if we persist in this new tariff, then His Majesty's Government could in no case be induced to modify the existing decree. When these sanitary decrees of various kinds were issued against our meat products by various European governments, we immediately organized at great expense a very thorough system of inspection, whereby every piece of meat exported from this country was microscopically and otherwise examined and accompanied with certificates and marks of the Government inspectors. We demonstrated the wholesomeness of our meat products, and warranted every ham, shoulder, side of bacon, etc. The sanitary decrees were thin excuses for excluding our meats. They had a right to exclude any merchandise, but it would have been more conducive to their reputation for frankness and courage to assign a better reason for the exclusion.

These prohibitory decrees concern the Government and people of Italy more than they do us. They ought never to have been passed, or should have been promptly repealed when shown to be based on a fallacy. That they still exist in full force contemporaneous with the low tariff of 22 cents a box on lemons and oranges is poor encouragement for us to let the King's ambassador write our tariff, when the only hope of reciprocal advantage held out to us is that the consular visé will be submitted for examination to the zootechnic and epizootic board.

What if the zootechnic and epizootic board should adopt a policy of "masterly inactivity"? Worse than all, the zootechnic and epizootic board might, after deliberation, decide to let well enough alone. The consequences of never submitting the consular visé to the zootechnic and epizootic board of Italy may be terrible enough to our citizens, but for one I am inclined to take the risk rather than abdicate to the minister of any king the right to make any of our laws, especially those "to encourage the industries of the United States."

[No. 5.]

BELGIAN LEGATION, Washington, April 16, 1897.

MR. SECRETARY OF STATE: The amendment passed by the House of Representatives on the 31st of March last provides that merchandise shipped by the 1st of April shall be admitted at former rates of entry.

As especially regards agricultural products, the orders accepted in good faith several months ago by Belgian horticulturists had necessarily to be suspended until the end of the winter, such products not being able to stand the voyage with impunity during the frosty season. I will add that to my knowledge packages containing plants, bulbs, or shrubs remained for some time deposited on the wharves at Antwerp, owing to the quantity of freight, and due to this circumstance must arrive late at their destination.

According to instructions received from my Government, I have the honor to point out this particular situation to the kind attention of the American Government, in the hope that it will have the goodness to suspend the too severe measures, and I am confident that it will not add to the considerable detriment which the new duties will occasion Belgian trade the annoyances of a premature application of them.

I have, etc.,

LICHTERVELDE.

[No. 6.]

LEGATION OF BELGIUM, Washington, May 30, 1897.

MR. SECRETARY OF STATE: I take the liberty to call Your Excellency's attention to the very high duty that has been imposed on cement by the Senate in article 84 of the new tariff bill. The discontinuance of the trade in this heavy substance would result disastrously to that in grain exported from the United States, inasmuch as cement constitutes the principal return freight which enables vessels sailing under the American flag and others to carry grain to Antwerp at reduced rates. Without such remunerative freight, shipowners will be compelled to charge higher rates for the transportation of grain, vessels carrying which will be obliged to return in ballast.

Hoping that these considerations will induce the conference committee in Congress to modify the prohibitory duties in question, I gladly avail myself of this occasion to offer your excellency a renewed assurance of my highest consideration.

His Excellency JOHN SHERMAN,  
Secretary of State.

LICHTERVELDE.

[No. 17.]

LEGATION OF BELGIUM, Washington, May 27, 1897.

MR. SECRETARY OF STATE: I take the liberty, in obedience to the instructions of my Government, to call your excellency's attention to the assimilation of sprats and sardines in the new tariff bill, and to remind you that sprats constitute a much cheaper article of food, used chiefly by the working classes. I would add that it does not appear that these fish are found in North American waters, and that they can not, therefore, constitute a local industry. I should be very grateful to your excellency if you would communicate these observations, which have reference to a product of the Belgian coasts, to the competent committee, hoping that they may lead to a reduction of the duties proposed.

I avail myself of this occasion, etc.,

LICHTERVELDE.

His Excellency JOHN SHERMAN,  
Secretary of State.

Documents Nos. 5, 6, and 17 came to us from the Belgian minister in obedience to instructions from his Government.

If followed, his suggestions would doubtless result in the advantages named therein to Belgium.

But where do we come in for our share? The only benefit offered to us is the single, slender hope that under a low tariff on cement from Belgium ships carrying cement to America can afford to charge less on wheat, return cargoes, to Antwerp. We can make cement in America.

Every pound of cement imported takes to Belgium money, bread, and wages which some citizen of our own country needs and ought to have, and shall have, if left to my arbitrament.

Free trade in cement may or may not lower the freight on wheat, but not more so than free trade on other heavy articles. Cheap freight on wheat to Antwerp might lower the price of wheat in Antwerp, but would not raise it perceptibly in North Dakota.

In my judgment, the great reduction in freight rates on wheat, both by land and sea, during the last twenty years have accrued entirely to the benefit of the consumer, while the advantage due to improved agricultural machinery, on the other hand, have accrued almost entirely to the benefit of the producer of wheat.

[No. 7.]

LEGATION OF THE ARGENTINE REPUBLIC,  
Washington, D. C., May 1, 1897.

SIR: In compliance with instructions from my Government, I have the honor to submit to your excellency some remarks relating to the tariff bill pending on the approval of the Congress of this nation, praying your excellency to give them your kindly attention, and if your excellency deems it opportune, to make such use of it as your excellency may judge proper. On doing so, it is far from my object to interfere in any manner in a matter of domestic fiscal policy of this great Republic. A friendly interest has been manifested on many occasions by the Government of the United States in favor of the improvement of the commercial relations which unite this nation and the Argentine Republic.

Various attempts have been made here for increasing the currents of our mutual interchange, either by means of sending official commissions in charge of studying and proposing the best means for that object or by means of the convocation of a Pan-American conference, endeavoring to connect the political and economical links which unite the diverse sections of our vast continent; or, in short, in the form of excursions of representative manufacturers and business men, as the one which took place at the close of last year.

These are so many antecedents which encourage me in hoping that the Government of your excellency will give my words a friendly hearing, being convinced that they have no other purpose than that of endeavoring toward their noninterruption in the least; but, on the contrary, that they may increase each day the commercial relations which exist to-day between the United States and the country which I have the honor to represent.

If your excellency deems it desirable to review the official correspondence exchanged in 1891 and the beginning of 1892 between the minister of foreign relations of the Argentine Republic and the minister of the United States, Mr. Oitkin, your excellency will see by the communication of the former, dated December 24, how great was the place which American commerce



occupied in our markets since the epoch of the definitive constitutional organization of my country, until the time when the Government of the United States levied high duties upon wool and other Argentine products, i. e., from 1852 to 1868.

In that communication the historical fact is pointed out of the participation which was shared by the United States in the benefits of the Argentine progress. It is reminded that the number of the ships of this country which arrived at our ports at times exceeded the share belonging to the maritime nations of Europe, whilst the exportation of Argentine wool for the markets of the Union surpassed sometimes the shipments made from it to France and England. Lastly, mention is made in the same communication that the commerce of the United States during that period amounted to more than 50 per cent of the English and French commerce, to 80 per cent of the Belgian commerce, and surpassed five times that of Germany; and these figures seem to argue that your commerce would end by maintaining one of the first ranks in our mercantile markets.

Unfortunately this movement, which promised so many advantages to both countries, was deferred in consequence of the high duties imposed by the tariff of 1867 on Argentine wool.

Your excellency knows that wool is one of our principal national products, and the new classification to which it was submitted in that act doubled the duties imposed on the same by the law of 1864. So some years after, the Argentine minister in Washington, Señor Luis L. Dominguez, addressed himself to the Department of State, calling attention to the decrease of the imports from the United States into the Argentine Republic, and the corresponding fall in the Argentine exports to the markets of this country.

In 1882, in fact, of our total imports, 8.5 per cent belonged to the United States, and of the total of our exports came to this nation only 4.9 per cent. In that year our exportation of wool was 222,000,000 pounds, of which there only entered into the United States nearly 2,000,000 pounds.

On the other hand, in 1866 the importation of wool from the Argentine Republic had reached 37,000,000 pounds, in round figures, and in 1867 it fell to 12,000,000 pounds, the fall continuing greater every year until it reached in 1882 the figure of 2,000,000 pounds just mentioned.

It is convenient to show your excellency that the Argentine Republic admitted in exchange the most important articles of American production free of duty, or only levied a rate of duty from 5 per cent to 10 per cent, whilst our wool, which represented more than half of the total of our production, was burdened with a rate of duty of 100 per cent.

Notwithstanding these disadvantageous conditions, the commerce of the Argentine Republic continued to increase year by year, and its volume sometimes became considerable, as your excellency may see in the following statement taken from the general bureau of statistics of the Argentine Republic:

Year.	Imports of the United States.	Exports of the United States.
1886	\$7,673,284	\$5,580,406
1887	11,044,553	5,938,808
1888	9,909,895	6,665,520
1889	16,801,750	7,736,691
1890	9,301,541	6,066,958
1891	3,445,904	4,214,502
1892	7,373,583	4,834,454
1893	9,619,317	3,416,740
1894	10,149,018	5,285,210
1895	6,686,999	8,947,165
1896	11,210,475	6,410,362
Total	100,216,319	63,086,816

As your excellency will observe, during the period of eleven years comprised in the preceding statement, we have received from the United States merchandise to the value of \$103,216,319, and we have sold in the markets of this country products to the value of \$63,086,816, which shows a balance against us of \$40,129,503. According to the same publication, the maritime trade, between our respective countries was represented in 1896 by 63 steamers, with a tonnage of 92,355 tons, and 172 sailing vessels, with a tonnage of 139,572 tons, coming from ports of the United States; and by 19 steamers, with 28,816 tons, and 74 sailing vessels, with 55,494 tons, entered in the American ports proceeding from the Argentine Republic.

The official publication of the Department of the Treasury, entitled Foreign Commerce of the United States, corresponding to the fiscal year from July 1, 1895, to June 30, 1896, shows that there were imported into this country 224,865,257 pounds of wool, camel's and goat's hair, alpaca, etc., importations representing a value of \$31,497,896. According to the same official source, there proceeded from the Argentine Republic the following quantities and values of wool:

Wool.	Pounds.	Value.
First class (clothing)	6,128,552	\$871,905
Second class (combing)	3,273,075	463,875
Third class (carpet)	13,365,224	1,283,077
Total	22,766,851	2,618,857

In addition, the section of foreign markets of the Department of Agriculture has just published a statement of the principal imports of agricultural products to this country during the five years ending June 30, 1896. From said statement it appears that from 1892 to 1896 the Argentine Republic has imported into the United States an annual average of 8.1 per cent of the total entry of wool in this country, while the United Kingdom has imported 43.5 per cent, Australia 16.5 per cent, and Russia 8.5 per cent. Our shipments occupy then the fourth place. On the goatskins we occupy the third place, with 13.1 per cent; on bristles the same, with 15.7 per cent; finally, on hides the second place, with 21.9 per cent, only the United Kingdom surpassing us, with 22.5 per cent.

Nevertheless, and in spite of the satisfactory amount of these figures, Your Excellency will observe that respecting the wool our imports of last year into the United States (22,766,851 pounds) are far from reaching the sum we sent in 1866 (37,000,000), notwithstanding the enormous increase of our production since that date to the present time.

One reason for this deplorable fact has been given with remarkable frankness and striking clearness by the president of the National Wool Growers' Association, Mr. Lawrence, in the following manner:

"The tariff act of 1883, with a duty of only 10 cents per pound on unwashed

merino, effectually excluded South American wools under conditions existing in 1888 and since that. Now, the effect of this peculiarity in the Australian merino—that is, it has less shrinkage than any other merino wool in the world—was that under the Wilson bill we imported last year 71,000,000 pounds of this Australian wool, and only 14,000,000 pounds were imported from South America. It was because the South America wool, like the Ohio wool and all our American wools, will shrink 66 per cent in the scouring. The result is, by letting in this Australian wool unwashed, shrinking less than the American washed, that amount of merino shuts out substantially all merino wools from other countries.

"The American consul at Buenos Ayres, in his report to the State Department of December 13, 1888, says: 'The shipments of wools to the United States were exclusively of the long carpet wools from Cordova, it being the only class that it is possible to send to our (United States) market under our tariff at a profit. Our tariff, so far as the clothing (merino) and finer qualities are concerned, is prohibitive. While those from Australia can come in, those from the Argentine Republic, owing to the greater amount of grease and dirt which they contain, are quite excluded. The amount of dirt and grease in the (unwashed) wools of the Argentine Republic reaches to more than 70 per cent, while the (unwashed) wools of Australia and New Zealand only have about 50 per cent.'

"As between the South American wools and the Australian, the McKinley Act of October 1, 1890, excluded those from Argentina."

I do not wish to extend this communication too much by dwelling any longer on an examination of the figures of the commerce existing between the Argentine Republic and this country. What has been said should suffice, and as Your Excellency may notice that if this commerce has not taken the great development which it promised, it has not depended on our good will, nor on our desire of establishing more intimate business relations with this great Republic, the institutions of which serve us as a model, and which marvelous civilization we follow with the greatest interest and sympathy.

We have manifested that sympathy, as was recognized by the honorable President of the United States in his message of December 2, 1895, by reducing as much as possible, and in spite of the fact that our country draws from the custom-house duties the principal source of its revenue, the import duties which were levied on American products, and by placing several of them on the free list of our tariff law. If your excellency will have the kindness to examine the communication addressed by Mr. Buchanan, American minister to Buenos Ayres, to the honorable Secretary of State, the late Mr. Gresham, dated November 10, 1894, your excellency will observe that on the request of that functionary the committee of the House in charge of the study of our tariff approved the modifications recommended by the Government relative to agricultural implements and lumber, as well as making favorable changes in the rates on farm wagons and canned fruits and vegetables. The reduction of the rate of duty on yellow pine, to which Minister Buchanan refers in his communication of October 5, 1894, alone amounted to a reduction of import duties of \$250,000 to the benefit of the American exporter.

Your excellency knows that mowers, binders and reapers, and steam thrashers are on our free list, while the rate of duty on machinery and motors of all kinds for agricultural purposes remains at 5 per cent ad valorem.

The market offered by the Argentine Republic for that class of articles is already very considerable. The following statement, which I take from the American official statistics for the fiscal year ending June 30, 1895, contains the figures reached by this branch of the American imports, compared with those from other nations with which the United States maintain extensive commercial relations:

Mowers and reapers:		
Argentine Republic		\$817,445
Russia—		
Baltic and White Seas	\$101,783	
Black Sea	527,653	
United Kingdom		629,435
France		447,114
Germany		424,312
		375,348

But it is not only this branch of American industry that finds in the Argentine Republic an easy acceptance and an ample market. The United States also send us mineral oils, lumber, tools, all kinds of instruments, locomotives, and railroad material; in short, all the products of the vast industry of that country may enter our market under favorable conditions and analogous with those extended to the goods from other parts of the world. The marked contrast between the imports and exports of this country and other South American nations, which often caused the commercial balance to be against the United States, does not exist between our respective countries.

This contrast is rather unfavorable to us, although we occupy in South America the second place in American commerce, Brazil only surpassing us on account of its considerable imports to this market. Finally, the prospects of our mutual interchange are unlimited, taking into account the progressive development of the Argentine Republic, the activity and energy of its people, the importance of its natural resources, the extension of its territory, and the growth of its population by the constant assimilation of great masses of European immigrants who come to cultivate our fertile fields.

Your excellency will not wonder, in view of the succinct considerations herein made, that my Government should have been painfully surprised on hearing of the prohibitory rate of duties which threatens our wool should the present tariff bill now pending before Congress become a law. The enacting of said rates, as those proposed on our hides, would make impossible the introduction of the former as well as the latter, it would be hostile to an important industry of our country, without benefit to the people or the industry of the United States, and lastly it would end by interrupting in toto a commercial movement which was being started and every day increasing, to the mutual advantage of both countries.

The important concessions which spontaneously and with the desire of making still closer the commercial relations with this nation we have granted to important American products and articles should guarantee to us that the Congress of this nation would not enact a law which might destroy our growing trade, and thus close our doors to the introduction of American products. Instead of that, we behold with disappointment and regret that the projected bill affects us with extreme severity, practically applying a discriminating rate of duty on our wool, since our wools have a larger shrinkage than those from Australia, as I have had the honor of mentioning before by citing some utterances of Mr. Lawrence.

After those words had been expressed by that gentleman before the Ways and Means Committee of the House of Representatives he amplified them later on in the memorial of the National Wool Growers' Association in a form which demonstrates in a manner so efficacious and eloquent the exigencies of our position in this matter that I pray your excellency to permit me to transcribe them, calling your excellency's attention to the same:

"The injustice . . . of favoring Australasia, a British dependency, at the sacrifice of trade with South America is palpable and appalling. The unanswerable argument of that great statesman, Hon. Warner Miller, on this subject should be pondered by every American citizen. We can not hope for increased trade with South American States nor advantageous reciprocity

treaties while this injustice is continued. \* \* \* But Argentina has a real grievance of which she may justly complain, and the grievance is still non [more?] ruinous to our industry. By imposing an additional duty on the light shrinking Australasian merino the United States will take less wool from that country and more from South America, and thus enlarge our trade with our sister Republics of the Western Hemisphere, Mexico included."

Before closing I beg your excellency to allow me to call attention to the following paragraphs from a report of the United States consul in Buenos Ayres, Mr. Baker, referring to the Argentine production and to the growth of our commercial with this great nation:

"The Argentine Republic is a country which for the most part produces only raw materials, the bulk of its exports consisting of wools, hides, skins, etc. If the United States have no market or an uncertain market for such articles, or its fiscal laws are such that it will not pay to ship them to our ports, it is out of the question that our country can not have a very large or a very reliable trade with the River Plate.

"During all the twenty years that I have been at this port, I have persistently sought to impress upon our Government the importance of this fact, and have in my reports time and again suggested that modifications of such restrictions, thus stimulating a freer exchange of products, was the 'key which would open a large reciprocal trade between the United States and the Argentine Republic.' I can only reiterate what I have heretofore so often said, and I do so at the request of American merchants dealing with the River Plate, is the hope—which they express—that something may be done to ease up the situation and give them the chance of a market for Argentine wools in the United States.

"There is no doubt that it would have a marked effect upon our commerce with this country, not merely in respect to the amount of shipments from here, but, what is more important to us, in the increase of the imports hither of our manufactured goods. It is well said that 'business begets business,' and the opening of our markets to the wools of this country would have a direct effect, not only in strengthening our commercial relations with the people of the Argentine Republic, but, what is always desirable, in promoting their good will and bringing them socially and politically nearer to us."

It is perhaps unnecessary to insist on the considerations which I have had the honor of placing before your excellency with the certainty that the high sense of justice and the friendly feeling which inspire the American policy in its relations with the Argentine Republic will suffice to secure the adoption of any measure whatsoever which may save the interests of my country, threatened by the tariff bill this note has reference to, either by reducing the proposed duty in a proportion so as to leave our wool in a position equal to that of Australia, or by leaving wool in its present condition.

The mere mention of the facilities with which the American products enter our custom-houses is the most eloquent argument which I could present to your excellency in favor of the suggestion just made. We have on the free list, besides other articles, mowers, reapers, thrashers, raw petroleum, coal, coke, locomotives, rails, and sleepers; we have reduced the duty on lumber (yellow pine and oak), on canned goods, on petroleum, on cotton goods (this last from 60 to 20), and we are levying a moderate duty on all other American products imported there (5 per cent ad valorem on plows, machines, and motors of all kinds for agricultural purposes, sewing machines, rosin, wire for reapers, fences, etc.).

In view of these considerations, I am encouraged to hope my country will not be subjected to the hardships which would follow the enactment of a law bearing so directly on our trade with this country, forcing us to abandon the mutual and beneficial commercial relations which bind us with the United States, whose gates would remain entirely closed to our products.

Again, praying your excellency to consider this note as a simple friendly suggestion, made in a spirit of perfect cordiality and without intending in any manner to interfere with the decisions of one of the high branches of the Government of this great Republic, to which by so many links we are bound, I renew to your excellency the protests of my highest and distinguished consideration.

THE HON. JOHN SHERMAN,  
Secretary of State of the United States.

M. GARCIA MEROU.

Nc. 7 shows clearly enough how a low tariff would benefit the Argentine Republic. The advantage to us is not so clear.

The Argentine Republic occupies relatively about the same position in the Southern Hemisphere that we do in the Northern. They are our competitors in the production of grain and animal products. They have practically nothing but grain and animal products for sale. Of these we have a plenty. They produce nothing that we need, except possibly quebracho wood, and for that we have an excellent substitute in oak and hemlock bark. Only a small per cent of the wool of Argentina comes to our market anyhow, even under a "free-wool" tariff, viz, 12,187 tons out of 201,353 tons exported in 1895.

The new tariff will be no more "prohibitory" than the tariff of 1890. Under that excellent tariff law we bought of Argentina \$3,416,740 worth of goods and sold them \$9,619,317 worth in 1893, while in 1895, under the "free-wool" tariff, we bought of them for \$8,947,165 and sold them \$6,686,999 worth.

We have for the last twenty years supplied only from 5 to 7 per cent of the goods imported into Argentina, and more than half of that consists of white pine and petroleum, articles which they do not produce and can get only from us. The next important article is agricultural machinery. These they have not the facilities to manufacture, and without our improved machinery they are unable to compete with us in the grain markets of the world.

We received no communication from the governments of any of the other countries of South America, Central America, or Mexico. The reason probably is that they have climates, and consequently productions, quite different from those of the temperate zones. We have placed their products on the free list if they are such as we can not produce. We have no written communication from the Canadian Government, but did have an official visit from one of the ablest statesmen of that Dominion, who came here to confer with the members of the Ways and Means Committee while we were preparing the new tariff. He wished us to make low rates on such articles as are usually imported from Canada, mainly agricultural products.

His main reliance seemed to be the statistical fact that our exports to Canada exceed our imports from that country. But the reason for that is geographical or astronomical rather than political. We produce in Maine, New York, Ohio, North Dakota, and Washington everything which they can possibly produce in any part of the continent north of latitude 49°, while in California, Texas, Louisiana, and Florida we furnish many semitropical products, such as cotton and fruits, which they can not produce and must buy of us.

[No. 8.—Note verbale.]

IMPERIAL LEGATION OF TURKEY, Washington, May 10, 1897.

The Imperial legation of Turkey observes with regret that the new American tariff, as it has just been sent to the United States Senate, imposes an import duty of \$1 per pound on crude opium.

As the Department of State is aware, opium is a product of Ottoman soil which in previous tariffs was always placed on the free list. Its removal from that list and the imposition of a high duty can not, in the opinion of the Imperial legation, answer the twofold purpose had in view by the new financial legislation, viz, first, the protection of home industry and productions; and second, the increase of the revenue. As opium is not produced or cultivated in the United States, there is no reason for a protective duty on this article.

As to the increase of the revenue of the American Treasury, the Imperial legation doubts whether the duty levied on crude opium could contribute thereto to any appreciable extent. Its effect would, on the contrary, be to diminish the importation of this article, and thus to reduce the estimated receipts to insignificant proportions.

Furthermore, even supposing that the importation of crude opium would not suffer, and that the receipts of the Treasury would be considerable owing to the duty levied thereon, it is scarcely necessary to remark that, even then, American industry and American laboratories which manufacture extracts of this drug for the requirements of medicine and pharmacy would be the sufferers. Consumers would then have to bear the burden of a duty which, after all, holds out merely the hope of a doubtful profit to the public Treasury. The Imperial legation thinks that it would be advisable to place crude opium again on the free list, or at least to reduce the duty on it.

In expressing this opinion, by way of suggestion, the Imperial legation of Turkey trusts that the Department of State will kindly make it known in the proper quarter, transmitting at the same time such recommendations in support thereof as it may think proper.

The Turks are evidently of the opinion that they will have to pay, in whole or in part, the dollar a pound duty on opium. Their concern for our public Treasury could well be stricken out as surplusage.

[No. 9.]

LEGATION OF JAPAN, Washington, June 5, 1897.

SIR: Under instructions from His Imperial Majesty's minister for foreign affairs, I have the honor to invite your attention to the proposed increase of duties upon certain articles imported into the United States from Japan. In doing so I beg to state that while under ordinary circumstances the Imperial Government would hesitate to express an opinion concerning a question which might be regarded as pertaining exclusively to the domestic policy of this country, they believe that the fact that important Japanese interests are at stake will be deemed sufficient justification for the representations they desire to make.

This belief is strengthened, moreover, by the conviction that the proposed increase of duties will injure the United States no less than Japan by retarding the growth of commercial relations which have hitherto proved equally advantageous to both countries and which promise even greater future benefits. The Imperial Government are well aware that the Government of the United States must share with them the desire to promote and extend those relations, and consequently they feel assured that their motive will not be misconstrued if they frankly express their views upon the subject.

The articles of Japanese importation which will be most injuriously affected by the proposed increase of duties are light-weight silks, silk handkerchiefs, matings, hemp and jute rugs and carpets, and tea.

Taking these articles in order, I beg to call your attention to the fact that the proposed duty upon Japanese silk goods and silk handkerchiefs is greatly in excess of any similar duty ever levied in this country. The tariff bill, as it passed the House of Representatives, provided for a duty of \$4 per pound upon silk goods weighing less than 1 ounce and more than one-third of an ounce per square yard. In actual operation this provision would apply almost exclusively to cheap silks, the manufacture of which may be said to be peculiar to Japan. The proposed duty will bear much more heavily upon them than upon silks manufactured in other countries, most of which will be subjected to relatively lighter rates of duty.

Thus, unintentionally no doubt, there is the appearance of discrimination against the Japanese product. The Japanese silks imported into this country, although light in weight, are made of inferior raw silk, and do not come into competition with staple American silks. The duty of \$4 per pound would be equivalent to an ad valorem rate of between 95 and 100 per cent upon the varieties most generally imported. The duty upon handkerchiefs made of similar grades of silk would be 10 per cent more. The consensus of expert opinion is that these rates are practically prohibitory.

The Senate Finance Committee has reduced the proposed duty to \$3 per pound, which is equivalent to between 70 and 75 per cent ad valorem upon piece goods, with 10 per cent added upon silk handkerchiefs.

From all the information I can gather upon the subject, I am convinced that these rates, if adopted, will greatly lessen the volume of importations, and so far, at least, injuriously affect the trade.

Under the present law the duty upon Japanese silk goods and silk handkerchiefs is 45 per cent and 50 per cent ad valorem, respectively; under the law of 1890 it was 50 per cent upon the one and 60 per cent upon the other.

Japanese matings are at present admitted free of duty in the United States, as they were also under the law of 1890. At no time has a higher rate of duty than 30 per cent ad valorem ever been levied upon this class of goods. In consequence, an extensive and prosperous trade has been established, the use of matings has become more general than ever before, especially among the poorer classes and in those parts of the country where the warmth of the climate precludes the use of other floor coverings.

Under the bill passed by the House of Representatives the duty levied upon matings was 8 cents per square yard upon those valued at less than 10 cents per square yard, and 8 cents per square yard, with 25 per cent ad valorem additional, upon those valued at more than that price. Inasmuch as the dutiable value of most of the matings imported from Japan does not exceed 6 cents per square yard, it is apparent that the proposed duty would be equivalent to a very high ad valorem rate.

The Senate Finance Committee amended this section of the House bill



by reducing the duty upon the cheaper grades of matting to 4 cents per square yard, but added a proviso imposing an additional duty of 25 per cent ad valorem upon all mattings "manufactured with a warp composed of flax, cotton, or other vegetable fiber." Since all mattings are manufactured with a warp composed of some kind of vegetable fiber, it is not thought that the reduction effected by this amendment will greatly lighten the burden imposed by the original duty. How heavy that burden is you can perceive when I assure you that it is stated upon the best authority that the trade in mattings can not survive the imposition of such high duties. It must cease altogether, or dwindle to insignificant proportions. In either case the people of this country will be deprived of the use of an article not manufactured in the United States, which experience has shown to be well suited to their needs, and the public finances, it is safe to predict, will not be appreciably benefited.

It has been officially stated that the proposed duty upon hemp and jute rugs and carpets will be equivalent to the about 50 per cent ad valorem. The fact is, however, that the average ad valorem rate of duty equivalent to the proposed specific duty upon the varieties of this class of goods imported from Japan would be nearly 80 per cent. Such a duty, if applied, can not but be a severe blow to another article of Japanese commerce the introduction of which has never been shown to be harmful to any product of American industry.

The proposed duty upon tea has attracted the especial attention of the Imperial Government. While it is true that the taxation of an article like tea for exclusively revenue purposes might not ordinarily be open to criticism, the circumstances of the present case are such as to give rise to serious apprehension. For a number of years past the tea industry in Japan has been in a depressed condition. The United States furnish the principal market for Japanese teas, more than two-thirds of the importation to this country being from Japan. It will thus be seen that Japanese tea must bear a larger share of the burden of taxation than the teas of any other country.

The proposed duty will be equivalent to from 50 to 100 per cent ad valorem, according to quality. It can not be a matter of surprise, therefore, that the prospect of a sudden change from free importation to comparatively heavy taxation should awaken in the minds of Japanese tea producers the gravest fear for the stability of their trade in its chief market. Equally with them, the Imperial Government are apprehensive that such a change, added to the depressing conditions which already prevail, must do great harm to an industry upon which a large number of the Japanese people are wholly or in part dependent.

As regards the general subject of the proposed taxation of Japanese imports to this country, I regret to observe that the opinion has gained some credence in Japan that the legislation in question is intended to discriminate against Japanese products. I do not need to assure you that the Imperial Government do not share in this belief, but I would respectfully submit that it is in a measure natural, since, by what is no doubt merely an unfortunate coincidence, it happens that the articles of Japanese importation most injuriously affected by the proposed legislation are what may be termed specialties of Japanese production and manufacture. All the articles herein enumerated come within that category, and for that reason it is not, perhaps, to be wondered at that those whose interests are so seriously threatened should believe that they are in some way the victims of intentional discrimination.

As I have had the honor to state, the Imperial Government are far from sharing in a belief for which they find no warrant in the cordial attitude always maintained by the United States toward Japan, but nevertheless they do not think it either wise or prudent to ignore a sentiment which, under certain circumstances, might have a most unfortunate effect upon the relations of the two countries. They hope, moreover, that it will not be forgotten that this feeling may be attributed in some degree to the fact that no article of American importation to Japan pays at present anything more than a nominal duty, and to the further circumstance that the Legislature of Japan has already signified its intention of hereafter levying only the most moderate imposts upon American commerce.

I have the honor, Mr. Secretary, to submit the foregoing observations for your consideration, trusting that you may deem it proper to communicate them to the authorities intrusted with the task of determining this question in which Japan is so deeply interested. As I hardly need assure you, the Imperial Government, in this frank exposition of their opinion, have no other aim than the promotion of those cordial sentiments of good neighborhood which have been such a marked characteristic of the intercourse of our countries. Actuated by this sentiment, they have authorized me to submit their views in the earnest hope that through this representation some amelioration may be obtained of conditions that threaten the prosperity and even the stability of commerce between Japan and the United States.

Accept, etc.,

Hon. JOHN SHERMAN,  
Secretary of State.

The Japanese minister is instructed by His Imperial Majesty to say to us that, in his opinion, a duty of \$3 a pound on light silks "will greatly lessen the volume of imports, and so far at least injuriously affect the trade." In this, I think, he is correct. He does not claim that the increased duty would increase the price to the consumer. In this, I think, he is wise. The price will remain the same to the people who wear silk dresses. In the same ratio that it "will greatly lessen the volume of imports," I think it will greatly increase the industry of weaving silk in this country.

It may also "injuriously affect the trade" by making foreign manufacturers pay the duty and subtract that much from their profits. It may also be that the "trade in mattings can not survive the imposition of" from 3 to 7 cents per square yard duty. Perhaps "it must cease altogether, or dwindle to insignificant proportions."

In my opinion, we shall get all the matting we want at the same old price, and our Japanese friends will continue to do business at the old stand on a narrower margin of profit, while cheerfully contributing the stipulated "tax" into the Federal Treasury for the privilege of using the best market in the world.

[No. 10.]

LEGATION DE SUISSE AUX ETATS-UNIS,  
Washington, D. C., June 17, 1897.

MR. SECRETARY OF STATE: According to my promise, I have the honor to present herewith to your excellency a statement written by Mr. James Robert, of New York, and concerning the newly proposed import duties on watches. Mr. Robert is a citizen of the United States. He is at this time retired from business, but he has a complete knowledge of all the questions relating to the manufacturing of watches in this country and in Switzerland, and is thoroughly acquainted with all the facts of importance in this branch

of business. He is also vice-consul of Switzerland in New York. I beg to call the attention of your excellency to this statement, which contains observations that may be of interest to the honorable gentlemen who are at this moment preparing the new tariff measures.

Please accept, Mr. Secretary, the renewed assurances of my highest consideration.

His Excellency Mr. JOHN SHERMAN,  
Secretary of State, Washington, D. C.

J. B. PIODA.

NEW YORK, June 15, 1897.

At the request of a number of friends interested in the importation of Swiss watches, I am asked to add the testimony of a lifelong experience in that business, with such facts as may assist in retaining the present tariff of 25 per cent duties imposed upon that article.

This tax has benefited protection far more than revenue, as shown in the extraordinary development of American watch factories, which have become wealthy, powerful, and entirely independent of any foreign competition.

On the other hand, the revenue expected from the importation of Swiss watches has continued to decline upon the yearly value, which at one time exceeded \$3,000,000, and now barely amounts to one-third of that sum.

The higher duty of 40 per cent, as now proposed, would certainly not add to protection, which is not needed, as facts prove, but would materially lessen the United States revenues in excluding more and more watches of foreign make, the majority of which being specialties or particular trade-marks not subject to American competition. Besides, it would, in my estimation, be altogether to the detriment of the dealer and consumer in making them dependent on the privilege to increase the margin of the already powerful American watch stock companies. It would also give an incentive to dishonest undervaluation or fraud and encourage the purchase of the more valuable article by Americans or others traveling abroad, who enjoy the right to bring over a single watch for their own personal use, thus entailing a loss of business to the retail dealer here.

The honest importer, who is most in need of protection, as well as the Government, would, under these circumstances, be the greatest sufferer if the actual ad valorem duty of 25 per cent was now to be revised, and I trust that upon fair examination of the interests involved no change will be made from what had been considered amply sufficient in the McKinley tariff bill of 1890.

Very respectfully submitted by

J. EUGENE ROBERT.

[No. 18.]

DEPARTMENT OF STATE, Washington, May 2, 1897.

SIR: By direction of the Secretary of State, I have the honor to inclose for your information and consideration copies of notes dated the 28th ultimo and the 20th instant, respectively, from the minister of Switzerland at this capital, relative to the provisions of the tariff bill pending before the Senate which affect Swiss exports to the United States.

Respectfully, yours,

WILLIAM R. DAY, Assistant Secretary.

Hon. NELSON DINGLEY, Jr.,  
Chairman of the Committee on Ways and Means,  
House of Representatives.

LEGATION OF SWITZERLAND IN THE UNITED STATES,  
Washington, April 29, 1897.

SIR: I have the honor in pursuance of the instructions of my Government, to state the following considerations to which I take the liberty to invite your excellency's kind attention. I recently transmitted to my Government the tariff bill as it left the House of Representatives. The Federal Council has considered its scope, which can not fail to be disastrous to commerce between Switzerland and the United States inasmuch as the productions of the three principal export industries of Switzerland are thereby subjected to prohibitory duties. Swiss embroidered goods, silks, watches, and clocks would be almost excluded from the territory of the United States.

In this state of things my Government appeals to the sentiments of friendship and equity of its sister Republic, trusting that it will not close its territory to Switzerland, since that of the Confederation has been at all times wide open to American productions on which extremely low duties are levied. The United States export goods to Switzerland to the value of about 39,000,000 francs, which may be divided as follows: Cotton, 16,000,000; petroleum, 5,000,000; tobacco, 4,000,000; meat, 3,000,000; hides, 3,000,000; lard, 2,000,000; wheat, 1,000,000, etc. Switzerland exports to the United States goods whose value is 13 francs per inhabitant, whereas the purchases of the United States from Switzerland amount to but 1 franc 25 centimes per inhabitant. Swiss exports consist mainly of specialties which do not compete with American industry; their exclusion would be regretted by the American public, and would occasion a diminution of revenue to the United States Treasury.

The Federal Council is not without hope that these considerations will lead in the proper quarter to arrangements favorable to a reasonable reduction of the duties on Swiss imports, or that at least account will be taken of the considerations set forth by me, and of some concessions in the form of a convention.

Hoping that your excellency will kindly second my suggestion, I avail myself, etc.,

J. B. PIODA.

LEGATION OF SWITZERLAND, Washington, D. C., May 20, 1897.

MR. SECRETARY OF STATE: As a sequel to the note which I had the honor to address to your excellency on the 28th ultimo, and in compliance with the request which you were pleased to make of me in the course of our conversation of the 13th instant, viz. that I would specify the wishes of my Government in regard to the duties on imports from Switzerland which are contained in the tariff bill now under consideration by the United States Senate, I take the liberty to submit to your excellency the following desiderata:

1. That bolting cloth may be allowed to remain on the free list.
2. That there may be no increase in the duties on the following articles:
  - (a) Silk piece goods.
  - (b) Silk ribbons.
  - (c) Embroideries, loom-woven, dotted, and figured.
  - (d) Swiss watches and watch movements.
  - (e) Tar colors.

I will thank your excellency to make the foregoing known in the proper quarter, and to call attention at the same time to the fact that Switzerland has always kept her market open to American productions.

Be pleased to accept, Mr. Secretary of State, the assurances of my very high consideration.

J. B. PIODA.

His Excellency JOHN SHERMAN.

Documents Nos. 10 and 18 are in the main a plea for lower duties on embroidered goods, silks, watches, and clocks for the benefit of the people of Switzerland.

It may be that lower duties would benefit them. We are manufacturing these articles in America. We are now writing a law "to encourage the industries of the United States." Domestic manufacturers and labor organizations have presented their side of these three industries to our committee with great earnestness and told us what they want and must have in order to hold the trade. They say they can abundantly supply our markets with embroideries, silks, and watches, without raising the price to the consumer, if only protected by a duty sufficient to cover the difference in labor cost. We had to decide for the Americans.

[No. 11.]

BRITISH EMBASSY, Washington, December 26, 1896.

SIR: I have the honor to inform you that the fishery board for Scotland has drawn the attention of the foreign office to the high rate of duty imposed on cured herrings imported into the United States, and have represented the expediency of endeavoring to obtain a substantial reduction thereon.

I have therefore the honor, acting under instructions from the Marquis of Salisbury, to submit to the United States Government the representation made by the fishery board, with a view to its favorable consideration.

I have the honor to be, etc.,

JULIAN PAUNCEFOTE.

The Hon. R. OLNEY, etc., etc., etc.

[No. 12.]

BRITISH EMBASSY, Washington, June 18, 1897.

SIR: I have the honor to inform you that the attention of Her Majesty's Government has been called to the increased duty which it is proposed, under the provisions of the Dingley tariff bill, to impose upon salted mackerel and other cured fish.

In view of the grave injury which such action would cause to the trade of the west coast fisheries of Ireland, I am desired by the Marquis of Salisbury to repeat to your Government the representations which I made to you in my note of December 26 last year with regard to a similar proposal concerning the import of Scottish cured herrings.

I have the honor to be, etc.,

JULIAN PAUNCEFOTE.

Document No. 11 is either incomplete or very remarkable. It informs us that "the fishery board of Scotland has drawn the attention of the foreign office to the high rate of duty, \* \* \* and have represented the expediency of endeavoring to obtain a substantial reduction thereon."

Neither a copy of the "representation" of the board nor the substance thereof is communicated to us. No reason is urged. No statement of advantage or disadvantage is made. No other document accompanied the note as it came to the committee, and I am informed at the State Department that none was inclosed with the note when received there.

How anybody could expect us to amend a bill pending in a committee of the United States Congress simply because a fishery board had drawn the attention of the British foreign office to one of its paragraphs, without suggesting any reason of advantage or disadvantage for or against the change is hard to comprehend.

There may be something the matter with the paragraph, but the defect, if any, should be indicated. I know the spelling is correct, and I think the figures are all right.

No. 12 asserts that increased duty on salted mackerel and other cured fish would cause grave injury to the trade of the west-coast fisheries of Ireland.

We may safely assume that to be true, but still there are no reasons assigned why a lower duty would be any advantage to us.

This absence of information in No. 11 is not cured by a simple assertion in No. 12 that the representations of No. 11 are repeated. We look in vain for any "representations" either in No. 11 or No. 12.

[No. 13.]

CHINESE LEGATION, Washington, June 29, 1897.

SIR: I have the honor to state that I have received representations from Chinese merchants doing business in various parts of this country relating to the increase of duty on several articles of merchandise, principally tea, silks and silk manufactures, floor matting, rice, and firecrackers, as proposed in the tariff bill now under discussion by the Senate.

While disclaiming any wish on my part to interfere in the discussion of the tariff legislation of the United States, I deem it my duty to respectfully make known to you, and through you to the legislative branch of your Government, the appeals of my countrymen, who earnestly entreat that the Congress of the United States will legislate no law which would impose higher rates of duty on the aforementioned articles than those of the existing tariff.

In this connection I beg to express my gratification on learning that the Senate has kept matting still on the duty-free list.

I trust the Senate's action in this respect will be concurred in by the other branch of the Congress, as I am strongly of the opinion that it will be beneficial not merely to the manufacturers and importers of matting but also to a large class of people in this country who constitute the consumers.

As for rice, which, as you are well aware, is a chief and necessary article of subsistence to my countrymen, an increase on the present duty, which is already very high, would entail still greater hardship on the large number of them in this country who during recent years have had to gain a mere living by dint of hard toil, while its increase to the revenue would be small and insignificant.

In a letter just received from some of our merchants on the Pacific Coast, they say that the proposed increase of duty on firecrackers "is excessively high and destructive to the trade. It would greatly injure the importers of this line of goods. Comparing the costing value between the old and new duty, it will make the goods cost from 150 to 200 per cent. The price of these

crackers is very low in China, but the weight of them is very heavy, and at 6 cents per pound it would bring the cost of them very high."

As the import of this line of goods does not interfere with the industrial interest of the United States and has no fiscal importance to this Government, it is hoped that the existing tariff rate will be maintained.

I trust that you will be so good as to give the earliest attention possible to the above respectful expression of views and that you will see fit to bring it to the favorable consideration of the United States Congress, so that some expedient may be found for modifying the proposed tariff in such a way as not to work hardship on my countrymen.

Thanking you, Mr. Secretary, in advance for any step you may deem proper or expedient to take in complying with the above request, I avail myself of this opportunity to renew to you the assurance of my highest consideration.

WU TING FANG.

Hon. JOHN SHERMAN,  
Secretary of State.

Of No. 13 there is little to say. Chinese silks and mattings are on a par with the same articles coming from Japan. Rice is one of our own staples, which has always been well protected, as it must be, since its producers have to compete with the cheapest labor in the world.

The Chinese minister is evidently of the opinion that an increased duty on firecrackers would be paid by the Chinese manufacturers and importers. In this I concur.

[No. 14.]

BOUNTIED SUGARS.

[Letter from the Secretary of State, transmitting a translation of a note containing the protest of the Government of Austria-Hungary against the proposed treatment of bountied sugars in the tariff bill at present under consideration in the Senate.]

DEPARTMENT OF STATE, Washington, June 4, 1897.

SIR: Agreeably to the request of the minister of Austria-Hungary, herewith transmitted, I have the honor to lay before you, with a view to its presentation to the Senate, a translation of a note containing the protest of the Government of Austria-Hungary against the proposed treatment of bountied sugars in the tariff bill at present under consideration in the Senate.

Respectfully, yours,

JOHN SHERMAN.

Hon. GARRET A. HOBART,

Vice-President of the United States.

IMPERIAL AND ROYAL AUSTRO-HUNGARIAN LEGATION,  
Washington, May 28, 1897.

MR. SECRETARY OF STATE: I have had the honor to receive your note of the 17th ultimo, No. 139.

The provision relative to the discriminating duty on sugar contained in the tariff bill which has been passed by the House of Representatives is still found in that bill as amended by the Senate committee (section 3). I was instructed to protest against this provision on the ground of the right of the most favored nation, which is guaranteed to us by treaty, and should consequently be very grateful to you if you would have the kindness, Mr. Secretary of State, to send my note of April 13, 1897 (whereby I obeyed said instructions), to the Vice-President of the United States, that it may be communicated to the United States Senate.

I avail myself of this occasion to renew to you, sir, the assurance of my most distinguished consideration.

HENGELMÜLLER.

His Excellency JOHN SHERMAN,  
Secretary of State, etc.

IMPERIAL AND ROYAL AUSTRO-HUNGARIAN LEGATION,  
Washington, April 13, 1897.

MR. SECRETARY OF STATE: Pursuant to instructions, I have the honor, Mr. Secretary of State, to invite your attention to the provisions of the tariff bill now before the Senate of the United States which relate to the duty on sugar, and conflict, on the one hand, with our right of the most-favored-nation treatment, and, on the other, threatens to heavily damage Austro-Hungarian exports.

The above-mentioned bill provides, namely, in Schedule E, No. 206, that sugar exported from such countries which grant a direct or indirect bounty shall pay, apart from the actual duty upon entrance set forth in No. 206, an additional duty to the amount of the bounty granted, so far as this bounty shall be in excess of any internal tax collected upon such sugars or upon the raw materials (beet or cane) used in their manufacture.

The question of the discriminating tariff treatment against our sugar has already been the subject of negotiation between the Imperial and Royal Government and the Government of the United States. The Imperial and Royal Government had looked upon the additional duty of one-tenth per pound upon sugar coming from Austria-Hungary provided for in the tariff act of August 27, 1894, as a violation of the right of the most favored nation granted to her by Article V of the treaty of 1829, and instructed me on that occasion to protest against it.

This instruction I had the honor to carry out in a note of January 3, 1895, to Secretary Gresham, and I therefore consider it unnecessary to repeat here the views advanced therein, which my Government entertains to-day in their entirety. On the other hand, I beg to call attention to the fact that the Government of the United States has recognized our right to protest against any additional duty upon our sugar which is based upon our export bounty, as it will appear from the report of Secretary Gresham to the President of October 12, 1894, and that the President, in his annual message of December, 1894, recommended to Congress the repeal of the additional duty in question.

The bill now pending in Congress has in view a much greater increase of the discriminating additional duty on sugar, and threatens, therefore, our trade with the United States with new injury. In view thereof the Imperial and Royal Government has instructed me to call the attention of the Federal Government to the disposition of these proposed provisions to infringe upon treaty obligations, and in connection therewith to express the hope that it will lend its assistance in order to enlighten Congress upon the existing treaty obligations between our countries, and to prevent that the proposed increase of the additional duty upon our sugar, against which the Imperial and Royal Government must further protest, should become a law.

Accept, etc.,

HENGELMÜLLER.

Hon. JOHN SHERMAN,  
Secretary of State.

No. 14 claims, first, that the countervailing duty on bounty-paid sugar violates the "most favored nation" clause of our treaty



with Austria-Hungary, and, second, that the new tariff "threatens to heavily damage Austro-Hungarian exports." In answer to the first we have only to say that the new tariff treats all countries alike. The "most favored nation" in the world has to pay the countervailing duty on bounty-paid sugar. If Austria-Hungary and Germany place themselves in a different class from other nations by subsidizing the sugar industry, they can only get from us the rights of trade in our ports which are granted to all countries who subsidize that industry.

If by building up the sugar industry in the United States the result is damage to Austro-Hungarian exports, we can only say that our purpose is to build up the industries of our own country, furnish labor to our own people, and keep our money at home. Our purpose has never been to injure others. It is not any injustice to buy of our own fellow-citizens, even if the result is that we are therefore unable to buy of foreigners.

[No. 15.]

#### DIFFERENTIAL TREATMENT OF BOUNTIED SUGARS.

[Letter from the Secretary of State, transmitting letters from the German ambassador in regard to the protest of the German Government against differential treatment of bountied sugars.]

DEPARTMENT OF STATE, Washington, May 19, 1897.

SIR: Agreeably to the request of the German ambassador, I have the honor to lay before you, with a view to their presentation to the Senate, copies of the correspondence indicated below, in regard to the protest of the German Government against differential treatment of bountied sugars in the tariff bill at present under consideration in the Senate.

Respectfully, yours,

JOHN SHERMAN.

HON. GARRET A. HOBART,  
Vice-President of the United States, United States Senate.

Inclosures.

From German ambassador, April 5, 1897.  
To German ambassador, May 15, 1897.  
From German ambassador, May 16, 1897.  
From German ambassador, May 16, 1897.

IMPERIAL GERMAN EMBASSY, Washington, April 5, 1897.

MR. SECRETARY OF STATE: The bill approved by the House of Representatives, now before the Senate of the United States, relating to the tariff of the United States (H. R. 379) provides, in Schedule E, No. 206, that sugars, etc., the product of any country which pays, directly or indirectly, a bounty on the export thereof, shall pay, apart from the actual duty set forth in the said No. 206, an additional duty equal to such export bounty, so far as this bounty shall be in excess of any (internal) tax collected upon such sugars or upon the raw materials (beet or cane) used in their manufacture.

By instruction of the Imperial Government, I have the honor respectfully to invite your excellency's attention to the fact that this provision can not be reconciled with the right of the most favored nation, which is granted by existing treaty stipulations to German products with respect to the duties to be imposed upon them on entry into the United States. The above provision, should it become a law, would, on the contrary, by imposing upon German sugar a special additional duty and thereby establishing in the aggregate a higher duty than upon sugars from various other countries, seriously damage, in treaty violation, German exports to the United States.

Your excellency is aware that this question was already discussed in the year 1894 between the Imperial Government and the Government of the United States. I may, in especial, refer to the memorandum of this embassy of July 16, 1894, and to the note of August 28, 1894, addressed by my predecessor, Baron Saurma, to the Secretary of State, Mr. W. Q. Gresham, both of which are found printed on pages 234 and 235 of the proper volume of Foreign Relations of 1894.

It appears to me needless, therefore, to repeat here the text of these two documents; but I must say here emphatically that I accept, in their entirety, as my own the arguments advanced therein on the part of my predecessor in behalf of the opinion held by the Imperial Government. I must state, furthermore, here that the damage which threatens German exports from the provisions of the present bill before Congress is a much heavier one than that which resulted from the tariff law of August 28, 1894, as this law provided only for an additional duty of one-tenth of a cent per pound on German sugar, while the present bill, if it should become a law, will entail a much higher additional duty upon German sugar.

As your excellency further knows, the Government of the United States has unreservedly recognized the justice of our protest against any additional duty based on our export bounty upon German sugar. This is clearly expressed in words in the report by Secretary of State W. Q. Gresham to the President of the United States of October 12, 1894, a copy of which was communicated to this embassy in a note of December 7, 1894, and may be found printed on pages 236 and 239 of the proper volume of Foreign Relations for the year 1894.

The President of the United States explicitly concurred in this view of the Secretary of State by recommending to Congress in his annual message of December, 1894, the repeal of the additional duty upon German sugar. The Imperial Government may therefore entertain the hope that the Government of the United States will exert every endeavor to explain to Congress the importance of the existing treaty obligations between Germany and the United States and the consequences to be adduced therefrom, in order to prevent the proposed provision concerning the adding of the amount of the German export bounty to the duty upon German sugar from becoming a law in violation of treaty obligations.

On this occasion I may invite your excellency's attention to another point which my predecessor in 1894 only touched upon. On August 22, 1891, declarations were exchanged at Saratoga between Mr. von Mumm, the Imperial chargé d'affaires, and Mr. John W. Foster, specially empowered by the United States, which had on the one part the importation of German sugar into the United States in view and on the other the importation of American pork into Germany.

The United States made as the basis of these declarations the admission free of duty of German sugar, pursuant to the tariff act of October 1, 1890. The tariff act of August 28, 1894, had already shifted in an unfavorable way for Germany the premises upon which the exchange of these notes were effected, and they would be changed still more to the disadvantage of Germany if the present bill now before Congress should, without amendment concerning sugar, become a law.

The Imperial Government would, in such event, be compelled to regard the premises as defective upon which the German declarations had been based in the correspondence exchanged in August, 1891, and it would, moreover, be confronted with the question whether those advantages should be further continued which it had hitherto extended to the United States by applying to the importations from that country, especially with regard to its agricultural products, the minimum tariff established by the customs treaties concluded between the German Empire on the one hand and Austria-Hungary and several other States on the other.

With respect to the advantages which the United States, and especially its agriculture, has been afforded by these reduced duties, I may refer to the note of Mr. von Mumm, chargé d'affaires ad interim, of December 10, 1891, in the annex to which the duty rates of the general German tariff are contrasted with the treaty tariff. This note will be found printed as an annex to the proclamation of the President of the United States of February 1, 1892.

Accept, etc.,

THIELMANN.

No. 331.]

DEPARTMENT OF STATE, Washington, May 15, 1897.

EXCELLENCY: Adverting to your interview at the Department yesterday, at which you expressed a wish to have your note of April 5, 1897, in regard to the pending tariff bill, presented to the Senate, where the bill is now under consideration, I have the honor to say that, although a copy of your note has been brought to the attention of the Committee on Finance of the Senate, the Department will, as you request, lay before the Vice-President a translation of the same with a view to its formal communication to that body if this is what you desire. In case you wish to make any further communication upon the subject, I shall be glad to know it before taking action as I propose.

I avail myself, etc.,

JOHN SHERMAN.

His Excellency Baron MAX VON THIELMANN, etc.

IMPERIAL GERMAN EMBASSY, Washington, May 16, 1897.

MR. SECRETARY OF STATE: I have had the honor to receive your excellency's note, No. 331, of the 5th instant, and beg to say in reply that I will be very much obliged to you if you will send a translation of my note of April 5, 1897, referred to therein, to the Vice-President of the United States, for communication to the Senate.

In view of the action of the Committee on Finance of the Senate, the tariff bill has in the meantime assumed a materially different shape, inasmuch as the clause relating to an additional duty on such sugars upon which an export bounty in the country of their origin has been paid has been stricken from Schedule E and incorporated in a more general way in new section 3.

As this change does not alter in substance, but only in form the subject of my protest contained in my note of April 5 last, I have taken leave to address to your excellency to-day another note, which bears No. 1120-97. I should be very sensible of the kindness if your excellency would cause a translation of the note just mentioned (No. 1120-97) to be transmitted to the Vice-President of the United States for communication to the Senate, simultaneously with my previous note of April 5.

Accept, Mr. Secretary of State, the renewed assurances of my highest consideration.

His Excellency JOHN SHERMAN,

Secretary of State of the United States.

THIELMANN.

IMPERIAL GERMAN EMBASSY, Washington, May 16, 1897.

MR. SECRETARY OF STATE: In my note of the 5th ultimo, relative to the duty on German sugar which was proposed in the Dingley bill, the receipt of which your excellency had the kindness to acknowledge under date of the 7th ultimo, No. 206, Schedule E was referred to by me as the one against whose provisions I had been instructed by the Imperial Government to protest on the ground of the treaties concluded by the United States with various German States. The Committee on Finance of the United States Senate has meantime made important changes in the original wording of the tariff bill, eliminated from Schedule E the discriminating duty on sugar from countries which pay export duties, and has introduced that discriminating duty in a form which extends to goods of all kinds into the new section 3.

I consequently have the honor, with a view to the prevention of misunderstandings, most respectfully to inform your excellency that the protest which I was instructed by the Imperial Government to make now naturally has reference to the contents of the new section 3, since, in case the contents of the new section 3 should acquire the force of law, German goods would be obliged to pay a discriminating duty in addition to the ordinary duties.

I should be obliged to your excellency if you would have the kindness to bring this note, as you did that of the 5th ultimo, to the notice of the United States Senate.

Accept, etc.,

THIELMANN.

His Excellency JOHN SHERMAN.

No. 15 is in error when it asserts that "the Government of the United States has unreservedly recognized the justice of our protest against any additional duty based on our export bounty upon German sugar."

It is true that Mr. Cleveland and Mr. Gresham recommended that course to Congress in 1894. Congress is a part, and a very important part, of "the Government of the United States." We have collected the countervailing duty for three years. Congress has declined to repeal it, and will reassert the doctrine in this bill.

[No. 16.]

CONSULATE-GENERAL OF GREECE,

New York, April 10, 1897.

SIR: I have the honor to call your excellency's attention to the enormous import duty of 2 cents per pound imposed on currants by the tariff bill now before the United States Senate, and the great injustice that will be done to Greece if said duty is confirmed by the Senate.

It is a well-known fact that Zante or Greek currants do not come into competition with any product of this country. They are raised and thrive only within a narrow strip of land to the south of the Gulf of Corinth and in the adjacent islands of Corfu, Cephalonia, and Zante. The capricious nature of the genus of this plant is well known and it is an established fact that the product of currants is thus confined in space and limited in quantity.

The amount of currants annually imported to this country is about 32,000,000 pounds. The average amount of the years 1895 and 1896 was, according to the Treasury statistics, 31,961,000 pounds.

The import duty was as follows: Up to 1890, 1 cent per pound; from 1890

to 1894, free; from 1894 to 1896, 1½ cents per pound; and by the Dingley bill, 2 cents per pound.

The average cost of the imported currants for the last two years, according to the records of my consulate, has been as follows: Year 1893, 1.54 per pound; year 1894, 1.84 per pound; or an average of 1.69 per pound. On this basis the proposed duty of 2 cents would make it 118 per cent ad valorem. No such duty exists in the tariff for a similar article. It is a discriminating duty against Greece, amounting almost to prohibition, and out of all proportion to that on other fruits, as will be seen from the following table:

	Average cost without duty.	Imposed duty.	Equal to—
	Cents.	Cents.	Per cent.
Valencia raisins.....	3.50	2.5	74
Malaga raisins.....	7	2.5	35½
Sultana raisins.....	4	2.5	62
Prunes.....	5	2.5	50
Figs.....	4	2.5	62
Currants.....	1.69	2	118

This duty of 2 cents per pound was imposed, as I understand, first, by an erroneous impression that currants are a grape and compete with California raisins, and, second, by the statement made in the House on March 31 by the Hon. Mr. DINGLEY, chairman of the Committee on Ways and Means, that the duty of 2 cents per pound was only one-half of that imposed by England.

As a matter of fact, the duty on currants in England is 2 shillings (48 cents) per quintal of 112 pounds, and consequently it amounts to four-tenths of 1 cent per pound.

As to the first assertion, I beg to state that currants are a unique product, grown nowhere else in the world except in Greece and her adjacent islands. They furnish the masses with a cheap and nutritious fruit product, which benefits the consumers without injuring anybody, and that it has no real substitute. Raisins are an article for the table. Currants are an article for the kitchen.

These facts are so palpable that when in 1890 I explained them to Hon. Major McKinley, now President of the United States, he placed currants on the free list without hesitation. The same point of view was taken by your excellency in the United States Senate, when you spoke on the subject, June 9, 1894. I take the liberty to inclose copy of your remarks, taken from the CONGRESSIONAL RECORD of June 10, 1894 (volume 26, No. 150, page 7179), and I hope that your excellency entertains still the same opinion.

Before I conclude, I beg to be permitted to remark that the vote of the United States Senate of February 20, expressing its sympathy for Greece and her Government, had an immense effect in Greece and strengthened our hands in our present struggle to free our brethren in Crete from the Turkish yoke. It would be an anomaly and almost incomprehensible to our people if that same Senate, which expressed unanimously its strong sympathy for Greece, would crush the only Greek product imported into this country by imposing an enormous and almost prohibitory duty.

Yet, in view of the present policy of the United States Government, we do not ask that currants should be placed on the free list, as they were by the act of 1890, but as the question of revenue must be considered, a duty of 1 cent per pound would make this article bear a fair relation to other imports.

I most respectfully beg your excellency to transmit these remarks to the Finance Committee of the United States Senate for their consideration.

I have the honor to be, with the highest consideration, sir,

Your most obedient humble servant,

D. N. BOTASSI,  
Consul-General of Greece.

Hon. JOHN SHERMAN,  
Secretary of State, Washington, D. C.

[FROM CONGRESSIONAL RECORD, June 10, 1894.]

Mr. SHERMAN. Mr. President, the vote taken when I was absent temporarily, fixing a duty of 1½ cents a pound on Zante currants, seems to me a gross injustice to a country with which we have considerable commerce, and with which we have an increasing commerce.

I have some facts which I have received from the representatives of that Government in respect to Zante currants. If the statements are true—and I have no doubt they are, because they are verified from the market quotations in the city of New York—it is a grossly outrageous duty on what is commonly called the raisin of the poor. The statement I have shows conclusively that Zante currants are now quoted in the market of New York at about 1½ cents a pound. This, therefore, would be a duty of 125 per cent upon Zante currants, which are imported in large quantities, and which are used mainly by the poor people in their puddings, etc., as a substitute for raisins. Large quantities of currants of that kind are imported. I shall read what is said here in a communication which I have before me:

"CONSULATE-GENERAL OF GREECE, 33 SOUTH WILLIAM STREET,  
New York, May 13, 1894.

"SIR: In the tariff amendments just presented in the United States Senate (article 217), I notice that a duty of 1½ cents per pound is put on Zante currants, which are produced exclusively in Greece.

"This enormous duty is equivalent to 135 per cent ad valorem, the average price of currants in Greece being about 1½ cents per pound. They are selling now in New York from 1½ to 1½ cents per pound.

"Zante currants, now on the free list, are taxed 10 per cent ad valorem by the House bill. In the Senate bill the duty was increased to 20 per cent; then the Finance Committee increased it to 30 per cent, and now in the amended bill a specific duty of 1½ cents per pound is put thereon, equal to 125 per cent ad valorem.

"And yet it is a fact that Zante currants do not come into competition with any product of this country. A small raisin produced in California has nothing whatever to do with the Zante currants of Greece.

"We only demand justice. We do not compete with your products. We buy in the United States every gallon of petroleum that is consumed in Greece, as well as all our agricultural implements, and yet it is proposed to tax at the enormous rate of 125 per cent the only article that Greece sends to this country.

"The whole tariff does not offer a second example like this, viz, take an article from the free list and tax it 125 per cent. Is this not a great injustice done to a friendly country, and will it not affect the promising trade which was just being developed between the two countries?

"Very respectfully,

"D. N. BOTASSI,  
Consul-General of Greece.

"Hon. JOHN SHERMAN,  
United States Senate."

It seems to me that this statement, which is made, and I have no doubt truly, by a responsible party, the consul-general of Greece, shows that we ought not to make this discrimination against that important product of Greece, the only thing that we import from that country.

As the vote has already been taken, I do not care to move to reconsider, because I hope Senators on the other side having the matter in charge will correct it.

There is no similitude in the use or cost of Zante currants and raisins. Raisins are worth 2, 3, 4, or 5 cents a pound; and the raisins of California are very beautiful, probably the best raisins in the world. I have seen specimens of those raisins which are equal to any produced in the world. To make such a change in the duty on this article, which does not really compete with the raisins of our own country, seems to me at least extortionate, and I think it ought to be corrected. I should have no objection, however, to putting a reasonable rate, an ordinary ad valorem rate, on raisins; but to apply a specific rate to these two articles, which differ so widely in value, raisins being worth at least four or five times as much as Zante currants, is not just to a friendly country, especially to a small country which has an increasing commerce with our own.

I hope Senators will take the matter under consideration, so that it may be called up again when the bill is reported to the Senate. I call attention to it now, but shall not put the Senate to the trouble of taking a vote upon it.

Whatever may have been thought in 1890, it is now well established that Zante currants are really raisins, and grow on a vine like other grapes. Specimens of full-grown vines with the fruit on have been produced in the Federal courts, authenticated by our consuls in Greece, who have superintended the digging and shipping of the specimens.

They come in direct competition with certain California raisins which are now produced in great abundance.

By good rights Zante currants ought to be classified as raisins, which they really are. Then they would have to pay the still higher duty of 2½ cents.

[No. 20.]

IRISH MACKEREL FISH CURERS' ASSOCIATION,  
OFFICES, 10 UNION QUAY,  
Cork, March 17, 1897.

SIR: We are authorized by the above association to transmit to you the inclosed memorial, signed by almost every Irish representative in the British House of Commons, and we hope that you may see your way to concede to the prayer of the petition, which asks that you will be good enough not to increase the duty on Irish-cured mackerel and herrings.

We remain, your obedient servants.

W. W. HARVEY, President.  
GEO. GEORGINSON, Honorary Secretary.

The Right Hon. WILLIAM MCKINLEY,  
President of the United States of America, Washington.

EXECUTIVE MANSION, Washington, March 29, 1897.

MY DEAR SIR: By direction of the President the inclosed memorial from Irish representatives in the British House of Commons in regard to the duty on Irish-cured mackerel and herrings is referred to you for your consideration.

Very truly, yours,

JOHN ADDISON PORTER,  
Secretary to the President.

Hon. NELSON DINGLEY, JR.,  
Chairman Committee on Ways and Means, House of Representatives.

SIR: We, the undersigned Irish representatives in the British House of Commons, have learned with deep regret that there is a probability of heavier duties being imposed on Irish cured mackerel and herrings going into the United States of America.

On behalf of the poor Irish fishermen, we would humbly and very respectfully bring before your notice the real facts of the case, which, when disclosed, will reveal a state of matters rarely to be met with in the annals of any nation.

Within the past ten years the mackerel-curing industry has been started in our country and has given employment to many thousands of poor people living in the most poverty-stricken districts of our land.

Since the inception of this industry there has been a marked improvement in the social condition of the people, although their present state is still very miserable and leaves great room for improvement. Prior to the rise and growth of this industry the condition of the people was sad in the extreme; in fact, our workhouses were every one of them crowded to excess.

For the first few years of the business the prices paid to the fishermen were such as secured for them earnings which after supplying their daily needs left a small surplus to help to purchase nets and boats, or to repay the Government and philanthropic friends, who in the first place provided both boats and nets.

For the past few years the prices paid to the fishermen have been so low that at the end of the season they usually found themselves in debt to the merchant, and before next season came around it has been by no means uncommon to find many of these men with their families applying to the union for relief, and to prevent them from starvation they were reluctantly obliged to accept such shelter.

It should be noted here that the United States of America is the only market to which Irish cured mackerel are sent, and if the present duty were increased, there is, we fear, no alternative for the vast majority of the poor Irish fishermen, but a return to the days of ignominious existence in the wards and hospitals of our unions.

The price paid for fresh mackerel these past few years were so low that if they were reduced—as an increase of duty would necessitate—it would mean that the result of their fishing would not pay for wear and tear of boats and nets, far less leave anything for themselves and their families.

The industry is a young one, and in such a poor country as Ireland is, where there are so few industries, we appeal to you on these high and benevolent grounds of common humanity to graciously consider our applications, and instead of increasing the duties on Irish cured mackerel or herrings, perhaps you will consider favorably the deplorable condition of the Irish fishermen and possibly reduce the existing duties of one and a half dollars per barrel on mackerel and \$1 per barrel on herrings. If it be pleasing to you to keep the duty at its present level, you will confer an untold blessing on many thousands of very poor people in Ireland, and the reduction of these duties would help these thousands to live in a state of comparative comfort and so relieve them from their present abject poverty.

It will be at once obvious to you that a reduction of duty would have far-reaching effects on the social conditions of our very poor fellow-countrymen, and would tend to increase rather than diminish the wealth of the United States, inasmuch as, if the population of these poor congested districts of



Ireland were rendered self-supporting, the immense sums at present sent yearly by their friends in the United States for their support would be no longer needed.

Praying that you may see your way to grant our petition, we have the honor to be, sir,

Your obedient servants,

John Dillon, Edward Saunderson, Michael Davitt, Thos. Waring, P. J. Power, R. N. Penrose Fitz, Gerald, Jas. C. Flynn, A. H. Smith Barry, Jas. F. X. O'Brien, Herbert Robertson, W. Abraham, Robt. T. O'Neill, T. J. Candon, W. E. H. Lecky, James Gilhooly, James M. M. Calmont, James O'Connor, M. A. MacDonnell, Saml. Young, Michael J. Flavin, I. G. Swift MacNeill, Michael Austin, Denis Killeide, Thos. H. Grattan Esmonde, James Roche, Richard McGihee, Justin McCarthy, P. J. O'Brien, M. J. Minch, Bernard Colclery, Th. Healy, T. D. Sullivan, Donal Sullivan, T. Harrington, James P. Farrell, P. A. McHugh, Eugene Crean, John Finnane, Pat O'Brien, J. H. Clancy, William Field, James O'Kelly, James L. Carew, W. H. K. Redmond, John H. Parnell, Thomas B. Curran, James O'Connor, D. MacAleese, Maurice Healy, James Daly, M. A. MacDonnell, A. J. C. Donelan, George Murnaghan.

To the Hon. WILLIAM McKINLEY,

President of the United States of America.

No. 20 is from fifty-three Irish members of the British Parliament. Among them will be noticed such names as John Dillon, Michael Davitt, John H. Parnell, and Justin McCarthy. They are among the ablest statesmen in Parliament. It is fair to presume that in a document of this kind they have addressed to us their most persuasive argument. They, no doubt, paint a truthful picture of the poverty of the Irish fishermen. They are, no doubt, also correct in their contention that a low tariff on mackerel and herring would greatly assist these poor Irish fishermen. But as an American statesman writing a law for the American people, I am more concerned to know what we are going to get out of it.

The only benefit the petitioners offer us is that if we will kindly remit this "tax" on mackerel and herring, then the money thus saved to the fishermen (and lost to our Treasury) will render them self-supporting, so that there will be no necessity for them to live on the charity of their relatives in America. Such legislation would simply transfer the burden of supporting these fishermen from their kind-hearted and prosperous relatives in America to the Federal Treasury. We are willing to do anything that our big-hearted Irish-American fellow-citizens ask us to do, but they have never asked us to relieve them of a duty of filial affection in this way.

The Irish members of Parliament ought not to have asked it. All of the foregoing twenty communications are from statesmen who are employed to work for the advancement of the material welfare of their own several countries.

None of them are so situated that they could be adequately punished by us for their negligence if convicted of occasionally relaxing their vigilance in keeping a watchful care over everything that makes for our national prosperity.

They are unanimously in favor of a tariff for revenue only. They agree that a low tariff will benefit them, and give good reasons for it.

Most of them mention no benefit that we can expect, and the two or three who attempt it give very shadowy and speculative reasons for our comfort.

#### The Currency Commission.

#### REMARKS

OF

HON. DANIEL ERMENTROUT,

OF PENNSYLVANIA,

IN THE HOUSE OF REPRESENTATIVES,

Saturday, July 24, 1897.

The House having under consideration the joint resolution authorizing the President to appoint a monetary commission, etc.—

Mr. ERMENTROUT said:

Mr. SPEAKER: At the end of this extraordinary session—extraordinary because it was unnecessary; extraordinary because of the reasons not apparent on the surface for its assembling; extraordinary because of the circumstances connected with the formulation of the chief measure of legislation proposed; extraordinary because of the contradictory title of that measure; extraordinary because of its provisions; extraordinary because of the methods adopted to secure its passage; extraordinary because of the benefits conferred upon individuals by the extraordinary rise through it of certain stocks and commodities in the markets; extraordinary because of the burdens placed upon the consumer even before its passage, and most extraordinary because, having caused all other measures affecting both private and public interests to be set aside, at the tail end of this session most inactive, so far as the House is concerned—it is a noteworthy fact that at this

date three-fourths of its members, without regard to party, have picked up their traps and belongings and have either left or are about to leave the capital. And now, when the dog star, scorching heaven and earth, is preparing to mount to its zenith, the Administration wakes up from its Rip VanWinkle sleep and has made the brilliant discovery that though the revision of the tariff was really the important thing which made this extraordinary session necessary and caused all these extraordinary measures and methods to be invented, yet that the currency question, after all, is of as much importance as the tariff. They told us before that an abundant revenue was the real remedy. They sing another tune now, and it makes discord in the dulcet notes of "Home, Sweet Home" now floating through these halls. But if it be true that it is of equal importance, why was it not given equal rights and equal standing in this extraordinary session? Why was not the precious time wasted in idling by the House allowed to be made useful to the country in investigation, report, and discussion? There is no excuse for this tardiness. It was the question most in issue in most sections in the contest of 1896; the only question discussed before the people in the contest of 1896. It commanded in that contest the largest expenditure of ability, brain, time, eloquence, and also of money, and the application of the most nefarious electioneering methods ever practiced in the political annals of this country.

The brains, the intelligence, the learning, and it is alleged even the morality and honor, of not only this country, but of the whole civilized financial world, were called into requisition in that discussion. And yet, after nearly five months of slumber, this belated Administration wakes up to find that it is at least of equal importance with the tariff. Well might we repeat the maxim of the learned chancellor Oxenstiern, "Behold, my son, with how little wisdom the world is governed!"

The President now sends in a special message, advising what? Not immediate action upon this pressing question. Oh, no; but the appointment of a commission to report in the future. And yet there is no reason stated in the message of the President for the appointment of a commission which is not a stronger reason for immediate action on the currency question. If it be so important, and if a commission was necessary, why not have moved at once? This squandered time, at least, would have been made in the slow process of this remarkable evolution. Is it possible that so low an estimate is placed upon the intelligence of the American people by this Administration and its kitchen Cabinet as to suppose they can be hoodwinked or longer deluded by a scheme so transparent as this?

The popular impression is that had not the general in chief of the Administration discovered that it was not a smooth passage into the Senatorial haven for which he has been trimming his sails this message would never have been laid before us. The knowledge that such a message has been prepared for nearly two weeks, that it has been a matter of Cabinet discussion, newspaper discussion, and yet it has been withheld until it is manifest that no final action could or would be had, exposes the insincerity of the measure, reveals its true inwardness, and supplies the best evidence that it was intended to meet the political emergency which has arisen in the State of Ohio.

The truth of the matter is, taxation and finance, currency and revenue, are mutually interdependent, and should go hand in hand. Those who framed the rules and established the committees for this House have furnished us a striking proof of this principle, because your present Committee on Banking and Currency is but an offshoot of the Committee on Ways and Means.

No one knows this better than our present Chief Executive. I imagine the intelligence of the country will be at a loss to understand how he will be able satisfactorily to explain to the business men of the country his forgetfulness in this behalf and his tardiness in action.

I wish to call especial attention to some features of this resolution. It proposes to expend as an educational fund \$100,000. To start with, that is no small sum. Formerly, before the days of the great trusts, it would have been a very handsome fortune. The action of our friends in the tariff legislation was predicated upon a constantly increasing deficit.

Times are hard. Next year's revenue has been largely anticipated. If money is to jump out of the Treasury by joint resolutions at the rate of \$100,000 in sixty minutes, I fear we will be soon called on to discover additional sources of revenue and probably have another extra session. I submit, under the circumstances in which we find ourselves, we should hesitate long before putting our hands into the people's cash box. Only the supremest necessity will justify it.

Our eloquent colleague from Iowa [Mr. DOLLIVER] has kindly pointed out to us that this commission is not intended, at least not at present, for the enlightenment of the House, but for the education of the Chief Executive; in fact, the beginning of a sort of campaign for education. You know we have had several lately.

But this suggestion relieves the situation materially, because the world knows that we have all been studying up the financial question during the past year, and most if not all of us have endeavored to enlighten and educate the public generally on this question.

We might feel affronted if we were now told that we ought to go to night school. But does the Chief Executive need further knowledge in the case? If he does, probably \$100,000 would be a reasonable price to pay for it. However, when I go back and look into the record, I find that he, when a member of this House, upon one occasion voted for the free and unlimited coinage of silver; that later, on another occasion, he voted for the limited coinage of silver, the Bland-Allison Act, and when President Hayes vetoed the bill, he voted to pass it over his veto.

Also he was the friend of the Sherman bill, and when the late President secured the repeal of that act he denounced him for it in vigorous and emphatic terms. Naturally the inquiry arises, Were the views of the now Chief Executive on this question then sound? Was his education properly completed when he made this record? Does anyone who knows him doubt that he then voiced his genuine convictions?

Does any one doubt that these convictions were the result of observation, of thought, and of study? No one who knows him can doubt it, for he has always been an observant man and a careful student. Has anything occurred to cause him to change his convictions? And if so, when did that occur? We do know that the Republican convention of Ohio that named the delegates to the Republican national convention of 1896 put out a straddling platform on the currency.

We have had no official declaration of any conversion or of any change of views on his part. But let us pass on. When these experts have supplied the Chief Executive with the necessary knowledge, the next step will be to enlighten the House.

In due time, no doubt, a terse message from the White House will be read here. And, if precedents are to be relied on, simultaneously a bill prepared in the usual way, that is, beforehand, by a section of a committee or volunteers, will be promptly introduced and as promptly reported back, containing all this valuable education, and for the purpose of imparting a quick to our body, the Committee on Rules will be on hand meaning business, as my friend HENDERSON, of Iowa, has just declared, and before this House knows itself this information will be pounded down their backs in twenty minutes.

Mr. Speaker, this is unworthy of the high reputation our worthy President has justly earned. To-day for the first time since my return to Congress I have visited the Public Library. No one can go there without feeling that it is the noblest tribute ever erected in the whole wide world by any nation to learning. It is a proud thought that it was erected by this young and glorious Republic of the West. In comparison with it everything ancient and modern pales into utter insignificance.

Why does the Chief Executive seek to take counsel from those whose personal interests are bound up with the present system of finance? Why does he not carry out conclusions long ago arrived at? His soul was in the past on fire for bimetallism. Why should he not think of the wisdom written on those walls—the legend of Prometheus, and rise up to the full height of the occasion?

To the soul of fire,  
I, Pallas Athena,  
Give more fire,  
And to those who are manful,  
A might more than man's.

Let him be manful. Let him discard the preconceived views of a feigned commission, so that this nation may not need, in its great necessity, to echo the companion legend on those walls.

Ancient of days! august Athena! where,  
Where are thy men of might, thy grand in soul?  
Gone—glimmering through the dream of things that were.

The policy of the Chief Executive in this behalf is unworthy of his courage as a gallant soldier and of his experience as a conscientious statesman. Sooner or later he will awake to the full consciousness of this truth.

But why should a commission be created at all? Has not that eminent financier the present Secretary of the Treasury been traversing the entire country? Has he not been taking advice and counsel from divers eminent financiers, who, in their own opinion, know all about banking and currency, gold and silver coinage, and the laws of finance that are worth knowing?

He has gone through the whole gamut, the entire scale. He has held symposiums with them all. From the intellectual misfits of Chicago to the highest authority in Wall street. From Lucy Parsons to J. Pierpont Morgan. By the bye, it may be well for our old-fashioned Republican friends to remember back from whom they are now taking their financial gospel. Our distinguished Secretary voted for that eminent gentleman, the late President, the sire of all the goldbugs. No doubt he would have voted so again had the opportunity been presented.

Common report has it that the Secretary has even prepared a

measure to reform the currency. Financial articles of the metropolitan journals have so asserted. We honor him for it.

This was his sworn, plain duty from the moment he assumed the duties of his appointment. Let the Secretary now take the American people and their representatives into his confidence, and let him disclose to them the "big medicine" he has prepared. It argues bad faith and taints the proposition for a monetary commission with such grave suspicion that it should not command any support whatever in any quarter, least of all in a body bearing a whole people's commission to propose, discuss, and enact all and every measure affecting their welfare. That is what we are commissioned for.

The financial question was last fall and is yet the main issue before the people. To say that it has not been fully discussed is presumptuous and a reflection upon the common intelligence. We are here ready to act. It is our duty to act. If a commission for this, why not turn your Government into a government of commissions? Abolish your House and Senate, save the expense, and give us all a rest. Why this commission? We have had commissions and commissions; tariff commissions and monetary commissions. We had a tariff commission which reported to Congress in 1883. What came of it? Why, members of that very commission appeared before the Congress that met thereafter and opposed the very propositions incorporated in their report and signed by themselves. The commission was useless except for the end for which it was practically created, namely, delay. True, a bill was then passed, but the history of tariff legislation since then shows that it was not satisfactory. That commission, like this, was appointed to take the tariff out of politics, with what success you all know.

There was a monetary conference in 1867, the very first of all, and the meanest of all. It was the conference that made the mischief and opened that Pandora's box of evils from which we now suffer, leaving only a struggling hope behind—a hope, I may add, which, flickering long, became, under the inspiring eloquence and fearless courage of the man Bryan, raised up by Providence to redeem the people, has become brighter and more resplendent, blazing out a pathway in future to the final victory of the true solution of the difficulties and dangers which encompass the nation and the true liberty, prosperity of our people.

I repeat, the monetary conference of 1867 was the first and the meanest, because prior to it there was no disturbance in the workings of the money markets of the world. That was "the first disturbance in what was a satisfactory condition in the workings of the money market of the world," and in these exact terms was so declared by the Hon. William M. Evarts, speaking as a delegate from the United States in the international conference of 1881, and he further declared at the same time that the disturbance "became so by either a fortuitous or a circumspect consent which had obtained between the nations theretofore."

It is very suggestive of how the commission now proposed may be expected to work. Since then there have been numerous monetary commissions and conferences—the commission of the United States of 1876, the international conference of 1881 and that of 1892, at which were represented the best financial ability of the United States as well as that of other countries. A flood of literature on the subject has been emptied on the country, floods of learning and floods of eloquence. What have these conferences accomplished? They have been, under the potent influences controlling them, simply instruments of delay. They were so intended by the same influences, or intended to consummate the mischief begun in the conference of 1867. Results so far would seem to establish the assertion.

During this period the value of products and of commodities, the lands of the farmer, the homes of the workingman, the shops of the merchants, and the property of the real-estate owner have been ground down and down, as the rocks of the mountains are ground by the winds of heaven and dissipated in dust along the highways. If we will follow the teachings of the past, we will create no commission. There has been enough of commissions and conferences, enough of talk, and enough of council.

The time is here for action. Let the matter at last be decided, where it should first have been considered and where it must finally be decided, in these Halls by the American people through their duly accredited representatives, without whose assent and sanction nothing final can be done. If we here carry out the people's wishes, they will sustain us. If we do not, we deserve to be condemned.

As for the influences that have so long barred the way to the triumph of bimetallism, we believe the days of their ascendancy are numbered. They may yet, a little while in the future as in the past, by human agencies work delay. But human laws and human agencies can not prevail against the truth. The great Architect of the Universe built it upon sure foundations and a sure plan. He created gold and silver side by side for human uses, and endowed man with the intellect to perceive and act upon it. Every time that men have schemed to baffle His designs, their councils have come to naught.



When human means have failed, He has always come up to the full measure of relief required by circumstances. When the ancient mines were exhausted and the world was impoverished, He opened up the riches of the Western World through Columbus. In 1849 and 1850, when depression paralyzed the energies of that period, He again was at hand to open the Golden Gate and the rich supplies of Australia. And now, at this era of depression, created artificially by legislation, the Pactolian streams of the Yukon and the golden sands of the Klondyke are flowing in on us in fabulous volume, and because it is added wealth, gladdening the drooping spirit of enterprise and baffling the plans of the schemers who would hold in a few hands the money of the world.

But even should such discoveries fail, this overruling Providence, which through the genius and ever-increasing mastery of man over the forces and secrets of nature is controlling and ever will control all things to carry out and perfect the Divine plan as revealed in the structure of the universe, will not fail. In this age of wonders, of most miraculous and wonderful discoveries, surpassing all the creations of ancient fable or the wildest dreams of the most fervid imagination, it is within the bounds of probability that science may yet discover a method by which every atom of the golden dust now so much worshiped and now a part of mother earth everywhere may be picked up, a method by which every golden atom floating in the waters of the world's oceans may be precipitated and all collected and made useful.

When this immense amount of the yellow metal, exceeding by many, many times the accumulations intact of all the ages, is made available, gold will be as common as dirt. Then, no doubt, the wisecracks may again clamor for the demonetization of gold as they did in 1850, and as they now stand up for the demonetization of silver. Sir, when this not unlikely discovery shall burst upon us, the wisdom of God and the folly of man will again be revealed in a wonderful manner. Then, no doubt, our financiers will stand ready, as they now stand ready, with a proposition to appoint a commission to reform the currency; a proposition for some new device to create a currency which they may again control with the power to impose it upon mankind for their sole benefit. We shall see.

#### The Tariff.

#### SPEECH

OF

HON. JOSEPH WHEELER,

OF ALABAMA,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

The House having under consideration the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States—

Mr. WHEELER of Alabama said:

Mr. SPEAKER: Two hours ago the Democratic members of the conference committee were for the first time permitted to see the tariff bill which has been so precipitately thrust before the House.

The greater part of that time has been occupied by the speech of the premier of the House, the sponsor of the bill [Mr. DINGLEY], and it is worthy of note that from the commencement to the close of his speech the distinguished gentleman did not give utterance to a single expression either in its praise or in its defense.

His speech was devoted to an account of the wrangles and controversies between the conferees of the Senate and the House as to schedules and rates, and he closed with a weak apology for the measure which two months ago was the subject of his most enthusiastic adulation.

The whole tenor of this speech was of a nature to make the impression upon his hearers that he had become as much disgusted with the bill as the people will be after they have been subjected to and have felt the weight of its burdens.

It is important that the country should know that the Democratic party and its representatives have never been permitted to exercise either voice or influence in the framing of this measure. [Applause.] When the Democratic conferees were called to the conference this morning, we were informed that it was for the purpose of reporting the bill when the House met at 12 o'clock to-day.

#### IMPORTANT AMENDMENTS REJECTED.

I went to the conference with a number of amendments which I had prepared. They were all reasonable and proper. Their purpose was to restore cotton bagging, iron ties, and grain bags, and many other articles indispensable to farmers to the free list; and if these amendments failed, I had other amendments which sought to include bagging and ties with those articles which are entitled to a drawback when reexported as coverings to cotton.

Before completing the reading of these amendments it was announced that the Republican conferees of both the Senate and House would vote solidly against any amendments offered by a Democrat, and that any time consumed in the committee of conference would lessen the time in which we would be allowed to discuss the bill in the House. During the brief two hours I have had to examine this bill I have found that it contains provisions which justify the assertion that no tax law ever existed since the beginning of civilization that is as odious and atrocious as the measure now being considered by this House. [Applause.]

No doubt the influx of gold from the newly discovered fields will bring some measure of relief, but this law will be a constant weight and hinderance and counteract much of the good which would otherwise come to us.

No measure was ever submitted to Congress so thoroughly favorable to trusts and combines and so disastrous to the interests of the great mass of the people. Every page and nearly every line increase burdens upon labor, and our experience is that laws of this character always have the effect to decrease the wages of labor, to decrease the incomes of the farmers, and to increase the prices they have to pay for the necessities of life.

Mr. GAINES. I desire to ask the gentleman whether the Democratic conferees were at any time requested to be present at the meetings of the Republican conferees of the House?

Mr. WHEELER of Alabama. Never. On the 7th day of July the bill passed the Senate, and the next day the conferees were called to the Senate Committee on Finance. After a short discussion the Democratic members were informed that the Republican members of the committee desired a private consultation, and from that time the Democratic members have not been permitted to be present at any of the conferences, and they have been kept in absolute ignorance of all the proceedings except what they could learn from the public press.

This morning we were called into conference and shown the bill now being considered, and without permitting a single amendment, the Republican conferees of both the Senate and House voted solidly to report the bill.

Mr. GAINES. So that the Democratic conferees were not present at all at the hearings?

Mr. WHEELER of Alabama. Not during this Congress. In the latter part of the last—the Fifty-fourth—Congress hearings were held which were public to everyone, and of course the Democratic members of the Committee on Ways and Means were present.

The Fifty-fifth Congress convened on March 15, and the Committee on Ways and Means was appointed the same day, but the Democratic members were not allowed to participate in any way in the framing of the bill. Of course we were present at the meeting of the committee which voted to report the bill. I proposed a number of amendments in writing, but they were all voted down. Among them were propositions to put bagging, ties, and grain bags on the free list.

#### THE DINGLEY BILL IN FAVOR OF COMBINED WEALTH.

Experience will prove this bill to be more favorable to combined and accumulated wealth, and more oppressive to the toiling masses who by their labor produce all wealth, than any tax law which was ever enacted or even conceived by the lawmaking power of any government.

The McKinley bill was the most odious enactment of that character up to the date it was passed, but the Dingley bill very far exceeds that measure in the disastrous effect it will have upon the producing classes.

Every article of woolen which shields the laboring man and his family from the blasts of winter, whether clothes worn by day or blankets to shelter from cold at night, is taxed from 50 to more than 200 per cent. The carpet of the workingman is taxed as high as 300 per cent, and sugar, which must be used in every family, is taxed nearly 100 per cent.

The bill is sectional in its character to an extreme. It gives increased bounties to the people of the North and Northeast and places most onerous burdens upon the people of the South and West.

In his speech on May 25, 1897, Senator ALDRICH said:

It was, I believe, thoroughly understood throughout the country in the last political campaign that if the Republican party should be again intrusted with power, no extreme tariff legislation would follow.

He also said:

It was believed that in the changed condition of the country a return to the duties imposed by the act of 1890 would not be necessary, even from a protective standpoint.

#### THE DINGLEY BILL RATES FAR EXCEED THE MCKINLEY BILL.

In order to show how utterly these solemn pledges have been disregarded and violated, and that the pending tariff bill is the same old McKinley bill with its worst and most odious features intensified, I have prepared a table showing that upon very many articles used by the poor the tariff tax is higher in the proposed Dingley bill than they were under the McKinley bill, and that the rates on an average are more than double those of the present law.

The table is as follows:

The first column gives the paragraph of the Dingley bill, the second the description of the articles, the third the equivalent ad valorem of the McKinley bill, the fourth column the equivalent ad valorem under the Wilson bill, and the fifth column the equivalent ad valorem under the Dingley bill. Where the duties are specific and values could not be accurately ascertained, the specific rates are inserted.

#### INCREASES ABOVE M'KINLEY BILL.

Table showing some of the articles upon which the Dingley bill levies a higher tariff tax than was levied by the McKinley bill.

[The equivalent ad valorem figures are given, except when values could not be accurately ascertained.]

Para-graph.	Article.	McKinley bill.	Wilson bill.	Dingley bill.
		<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
1	Acetic or pyroligneous acids, specific gravity over 1.047.	13.19	20	23.16
	Boric acid.....	95.12	76.14	126.90
	Lactic acid.....	Free.	Free.	17.90
	Salicylic acid.....	Free.	Free.	24.40
	Gallic acid.....	Free.	Free.	25.64
	All other acids, not specially provided for.	Free.	Free.	25
2	Alcoholic perfumery.....	61.77	61.48	71.22
	Compounds, alcohol, not specially provided for.	163.43	194	349.27
	Argols or crude tartar or wine lees, crude.	Free.	Free.	15.56
6	Tartrate of soda or potassa or Rochelle salts.	16.40	14.60	28.57
	Tartar, cream of, and patent.	21.45	20	46.15
8	Bleaching powder or chloride of lime.	Free.	Free.	16.16
11	Borax, crude, or borate of soda.	119.47	20	200
	Borate of lime.....	3 cents.	61.56	124.99
	Refined borax.....	42.31	28.58	71.48
	Borate of lime or soda: Containing more than 36 per cent of anhydrous boracic acid.	3 cents.	1½ cents.	160
	Not more than 36 per cent.	3 cents.	1½ cents.	125
12	Refined camphor.....	12.30	10	13.32
	Chalk:			
	Prepared, precipitated, French, and red.	32.02	30	42.14
	Preparations not specially provided for.	20	20	25
16	Cobalt, oxide of.....	19.23	19.06	22.56
	Collodion, and all compounds of pyroxylin.	63.91	56.10	70.42
	Collodion. Such articles as are commonly called celluloid articles.	60 cts. per lb. and 36 per cent.	45	65 cts. per lb. and 25 per cent.
20	Barks, beans, berries, balsams, buds, bulbs and bulbous roots, and excrescences (such as nut-galls), fruits, flowers, dried fibers, grains, gums and gum resins, herbs, leaves, lichens, mosses, nuts, roots and stems, spices, vegetables, seeds (aromatic, not garden, seeds), and seeds of morbid growth, woods used expressly for dyeing, and dried insects, any of the foregoing which are not edible, but which have been advanced in value or condition by refining or grinding or by other process of manufacture.	10	10	15
22	Logwood and other dyewoods, extractions and decoctions of.	11.43	10	14.58
	Barks for dyeing or tanning, extracts of, other than hemlock, not specially provided for.	8.28	10	10.50
26	Chicle.....	Free.	Free.	31.25
36	Fusel oil or amylic alcohol.....	10	10	11.91
39	Oil, hemp and rape-seed.....	24.12	24.12	26.35
40	Olive oil, fit for salad purposes.....	26.92	29.30	33.59
43	Opium, crude or unmanufactured, not adulterated, containing 9 per cent or over of morphia.	Free.	Free.	53.48
	Morphia or morphine, and all salts thereof.	47.09	41.30	82.64
45	Blues, such as Berlin, Prussian, Chinese, and all others containing ferrocyanide of iron, dry or ground in or mixed with oil.	20.09	19.56	25.81
47	Black made from bone, ivory, or vegetable, including bone black and lampblack, dry or ground in oil or water.	25	25	55.55
49	Ocher and ochery earths ground in oil.	19.64	19.64	25
50	Orange mineral.....	78.80	44.24	83.30
51	Red lead.....	91.17	49.10	94.10
52	Wash blue containing ultramarine.	20.33	20	24.45
53	Varnishes, spirit.....	60.50	77.31	87.38
56	Crayons.....	25	25	30
58	Spanish, indian red or colcothar or oxide of iron, and Van Dyke cassel earth or cassel brown.	25	25	30

Table showing some of the articles upon which the Dingley bill levies a higher tariff tax than was levied by the McKinley bill—Continued.

Para-graph.	Article.	McKinley bill.	Wilson bill.	Dingley bill.
60	Lead products:	<i>Per cent.</i>	<i>Per cent.</i>	<i>Per cent.</i>
	Acetate of lead.....	78.04	70.56	87.50
	Nitrate of lead..... per pound.	3 cents.	1½ cents.	2½ cents.
63	Potash, chlorate of.....	Free.	Free.	28.73
66	Prussiate of, yellow.....	25.40	25	28.23
67	Preparations of which alcohol is a component part, etc., per pound.	50 cents.	50 cents.	55 cents equals 70.51 per cent.
69	Plasters, healing, or curative court-plaster.	25	25	35
75	Soap, castile.....	19.48	20	22.72
	Soda:			
75	Chlorate of.....	Free.	Free.	16.67
76	Hydrate of.....	42.75	29.10	43.65
77	Sul soda or soda crystals.....	29.06	26.59	40
78	Soda ash..... per pound.	½ cent.	½ cent.	1 cent.
79	Silicate of, or other alkaline silicate.	43.50	41.24	54.99
80	Sulphate of, glauber salts.....	6.81	Free.	10.94
	Salt cake or niter cake.....	11.11	Free.	19.67
84	Sulphur:			
	Refined.....	34.23	20	45.71
	Sublimed.....	28.66	20	41.20
91	Plaster of paris:			
	Crude.....	Free.	Free.	45.08
	Calcined.....	25.11	18.83	31.88
	Ground.....	6.07	4.66	10.50
92	Pumice stone:			
	Wholly or partially manufactured.	Free.	Free.	20
	Unmanufactured.....	Free.	Free.	15
98	Carbon, for electric lighting.....	20	30	50
99	Bottles holding not more than 1 pint and not less than one-fourth pint.	85.67	80.44	115.39
101	Cylinder, crown, and window glass:			
	Not exceeding 10 by 15 inches square.	47.47	39.57	55
	10 by 15 inches and not exceeding 16 by 24.	106.19	82.32	125
	Above 16 by 24 and not exceeding 24 by 30.	120.60	100.77	139.70
	Above 24 by 30 and not exceeding 24 by 36.	124.97	106.49	151.31
	All above 24 by 36.	116.79	95.66	174.45
102	Polished, unsilvered, not exceeding 16 by 24 inches square.	20.07	14.04	29.47
103	Plate glass:			
	Fluted and rolled, etc.—			
	Not exceeding 10 by 15 inches square.	23.08	4 cents sq. ft.	38.46
	Not exceeding 16 by 24 inches square.	20.26	14.04	32.43
	Above 16 by 24 and not exceeding 24 by 30.	34.97	8 cents sq. ft.	97.35
	Above 24 by 30 and not exceeding 24 by 60.	48.03	22½ cents sq. ft.	109.72
104	Cast, polished, finished, or unfinished and unsilvered—			
	Not exceeding 16 by 24 inches square.	24.22	24.64	30.42
	Above 16 by 24 and not exceeding 24 by 30.	35.22	35.47	44.34
105	Cast, polished and silvered—			
	Not exceeding 16 by 24 inches square.	20.39	25.22	46.23
	Above 16 by 24 inches and not exceeding 24 by 30.	26.06	26.39	34.31
	Cylinder and crown glass, polished and silvered, and looking-glass plates:			
	Not exceeding 16 by 24.....	19.34	23.50	43.25
	Above 16 by 24 and not exceeding 24 by 30.	29.68	32.71	42.52
	Above 24 by 30 and not exceeding 24 by 60.	49.77	47.80	51.06
	All above 24 by 60.....	43.88	38 cents sq. ft.	79.16
	Cylinder, crown, and common window glass, unpolished, ground, obscured, etc.:			
	All above 24 by 36 inches.....	87.27	71.30	117.35
	Cylinder and crown glass, polished, silvered, when ground, obscured, frosted, sanded, enameled, beveled, etched, embossed, engraved, stained, colored, or otherwise ornamented:			
	Above 16 by 24 inches and not exceeding 24 by 30.	29.54	31.02	32.33
	Above 24 by 30 and not exceeding 24 by 60.	20.55	23 cts. sq. ft. and 10 per cent.	48.68
	Plate glass, cast, polished, unsilvered; when ground, obscured, frosted, etc.:			
	Not exceeding 16 by 24 inches square.	24.52	23.53	26.65
	Above 16 by 24 and not exceeding 24 by 30.	30.98	38.46	40.57
	Above 24 by 30 and not exceeding 24 by 60.	65.23	70.46	71.46



Table showing some of the articles upon which the Dingley bill levies a higher tariff tax than was levied by the McKinley bill—Continued.

Para-graph.	Article.	McKinley bill.	Wilson bill.	Dingley bill.
		Per cent.	Per cent.	Per cent.
115	Agate, manufactures of, n. e. s. ....	20	30	50
	Alabaster .....	25	45	50
	Jet, manufactures of, all other not otherwise provided for .....	25	25	50
	Coral, manufactures of .....	25	25	50
118	Freestone, granite, sandstone, limestone, and other building or monumental stone, except marble, not specially provided for:			
	Undressed or unmanufactured .....	34.41	21.38	36.36
	Hewn, dressed, or polished .....	.40	.30	.50
127	Anchor or parts thereof, mill irons and mill cranks of wrought iron, and wrought iron for ships and forgings of iron or steel for vessels, steam engines, and locomotives or parts thereof weighing each 25 pounds or more.	32.95	28.08	35.10
131	Sheets of iron or steel, and plates, pickled or cleaned by acid, or by any other material or process, or are cold-rolled, smoothed only, not polished:			
	Thinner than No. 10 and not thinner than No. 20 wire gauge .....	34.73	39.42	45.31
	Thinner than No. 20 wire gauge and not thinner than No. 25 wire gauge .....	44.46	54.71	62.11
137	Round iron or steel wire, smaller than No. 16 wire gauge.	45.95	55.29	55.29
148	Cast-iron vessels, plates, stove plates, andirons, sadirons, tailors' irons, hatters' irons, and castings of iron, not specially provided for.	26.97	27.63	27.63
160	Nails and spikes cut of iron or steel.	23.58	22.50	25
168	Saws, pit and drag .....	16.67	10c. per ft.	20
173	Antimony as regulus or metal .....	8.09	Free.	11.90
175	Brass, bars or pigs .....	9.97	10	45
	Bronze, powder, metallics or flitters.	36.26	40	41.95
177	Gold leaf, in packages of 500 leaves.	44.87	30	58.24
178	Silver leaf, in packages of 500 leaves.	77.78	30	138.88
181	Lead:			
	Contained in silver ore .....	75.36	47.37	93.75
	Contained in other ore and dross .....	28.20	18.94	37.37
182	Lead dross, lead bullion or base bullion, lead in pigs and bars, old refuse lead run into blocks and bars, and old scrap lead fit only to be remanufactured.	49.13	54.59	116.01
	Lead in sheets, pipe, shot, glaziers' lead, and lead wire.	36.65	32.34	70.06
186	Pens, metallic, except of gold .....	44.47	31.77	47.66
190	Type metal .....	47.06	35.15	62.30
191	Watch cases and parts of watches, including watch dials, chronometers, box or ship, and parts thereof, clocks and parts thereof, not otherwise provided for in this act, whether separately packed or otherwise, not composed wholly or in chief value of china, porcelain, parian, bisque, or earthenware.	25	Free.	40
192	Zinc or spelter, and manufactures of:			
	In blocks or pigs .....	32.32	30.13	45.27
	Sheets not polished nor further advanced than rolled.	29.19	23.35	37.36
	Old and worn out, fit only to be remanufactured.	21.99	1 cent per pound.	61.34
193	Cycles, and parts of .....	45	35	45
	Brass .....	45	35	45
	Bronze .....	45	35	45
	Carriages, and parts of, metal, chief value.	45	35	45
	Copper .....	45	35	45
	Gold and silver .....	45	35	45
	Iron and steel .....	45	35	45
	Lead .....	45	35	45
	Machinery .....	45	35	45
	Metals, not elsewhere specified .....	45	35	45
	Nickel .....	45	35	45
	Pewter .....	45	35	45
	Tin foil .....	45	35	45
	Zinc .....	45	35	45
	Cabinet of old coins and medals, and other collections of antiquities.	45	35	45
194	Timber:			
	Used for spars and in building wharves.	10	Free.	
	Hewn and sawed .....	10	Free.	1 cent.
	Squared or sided, not specially provided for.	1 cent.	Free.	
	Hewn or sawed, squared or sided.	Free.	Free.	
	All other .....	20	Free.	20

Table showing some of the articles upon which the Dingley bill levies a higher tariff tax than was levied by the McKinley bill—Continued.

Para-graph.	Article.	McKinley bill.	Wilson bill.	Dingley bill.
		Per cent.	Per cent.	Per cent.
194	Lumber (law of 1897):			
	Boards, planks, deals, and other sawed lumber—			
	Of whitewood, sycamore, and basswood—			
	Not planed or finished, M ft.	\$1.00	Free.	\$1.00
	Planed or finished on one side, M ft.	\$1.50	Free.	\$1.50
	Planed or finished on two sides, M ft.	\$2.00	Free.	\$2.00
	Planed on one side and tongued and grooved, M ft.	\$2.00	Free.	\$2.00
	Planed on two sides and tongued and grooved, M ft.	\$2.50	Free.	\$2.50
	All sawed lumber not specially provided for—			
	Not planed or finished, M ft.	\$2.50	Free.	\$2.00
	Planed or finished on one side, M ft.	\$2.50	Free.	\$2.50
	Planed or finished on two sides, M ft.	\$3.00	Free.	\$3.00
	Planed on one side and tongued and grooved, M ft.	\$3.00	Free.	\$3.00
	Planed on two sides and tongued and grooved, M ft.	\$3.50	Free.	\$3.50
196	Railroad ties .....	Free.	Free.	20
198	Sawed boards, planks, deals, and all forms of sawed cedar, lignum-vitæ, lancewood, ebony, box, granadilla, mahogany, rosewood, satinwood, and all other cabinet woods not further manufactured than sawed.	Free.	10	15
	Wood, unmanufactured, not specially provided for.	15	20	20
200	Hubs for wheels, posts, last, wagon, oar, gun, and heading blocks, and all like blocks or sticks, rough hewn or sawed only.	20	Free.	20
201	Laths .....	10.63	Free.	21.93
202	Staves of all kinds .....	10	Free.	50
203	Shingles .....	10.91	Free.	15.78
204	Shooks, sugar box, and packing boxes and packing-box shoos.	30	Free.	30
	Casks and barrels, empty .....	30	20	30
206	Osier or willow, manufactures of.	40	35	40
208	Furniture, cabinet or house, wholly or partly finished.	35	25	35
	All other manufactures of wood, or of which wood is the component material of chief value, not specially provided for.	35	25	35
	Carriages and parts of, wood, chief value.	35	25	35
209	Molasses, testing by the polariscope:			
	Not above 40 degrees .. gallon.	Free.	Free.	20
	Above 40 degrees and not above 50 degrees .. gallon.	Free.	12.52	13.78
	Above 50 degrees .. gallon.	Free.	19.30	28
	Beet sugar .....	Free.	40	75
	If export bounty is paid .....	Free.	44.31	75
	Cane sugar .....	Free.	40	75
	If export bounty is paid .....	Free.	44.51	75
	Beet sugar:			
	Above number 16 Dutch standard in color and discolored.	12.86	48.08	68.28
	If bounty is paid .....	16.12	48.08	74.61
	Cane sugar .....	12.86	48.08	65.65
	If bounty is paid .....	16.12	48.19	71.03
210	Maple sugar .....	Free.	41.03	57.50
	Maple sirup .....	Free.	20	77.67
	Glucose or grape sugar .....	23.71	15	64.91
	Sugar cane .....	10	10	20
211	Saccharine .....	25	25	34.91
212	Sugar candy, and all confectionery not specially provided for in this act, valued at 15 cents per pound or less, and on sugars after being refined, when tinted, colored, or in any way adulterated.	50	35	50
213	Tobacco:			
	Leaf tobacco suitable for cigar wrappers—			
	Stemmed .....	82.50	\$2.25 per pound.	220.03
	Other unmanufactured—			
	Not stemmed .....	81.93	35 cts. per pound.	93.61
	Stemmed .....	95.44	50 cts. per pound.	105.14
	All other manufactures of.	198.50	40 cts. per pound.	127.39

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Table showing some of the articles upon which the Dingley bill levies a higher tariff tax than was levied by the McKinley bill—Continued.

Para-graph.	Article.	McKinley bill.	Wilson bill.	Dingley bill.
		Per cent.	Per cent.	Per cent.
216	Snuff and snuff flour, manufactured of tobacco, ground dry, or damp, and pickled, scented, or otherwise.	141.78	138.83	152.71
218	Cattle, if less than 1 year old.	43.53	20	61
219	Hogs (swine).	12.03	20	23.15
	Horses valued at less than \$150.	31.55	20	64.59
	Mules valued at less than \$150.	93.26	20	314.03
221	Sheep:			
	Less than 1 year old.	21.01	20	42.02
	One year old or more.	25.35	20	42.02
	Breadstuffs:			
223	Barley.	64.68	30	78.95
224	Barley malt.	36.30	40	52.59
225	Buckwheat.	37	20	48.38
227	Corn or maize.	22.20	20	26.37
229	Macaroni, vermicelli, and all similar preparations.	39.26	20	43.89
230	Oats.	35.99	20	44.12
231	Oatmeal.	17.82	15	19.61
232	Rice:			
	Cleaned.	111.85	124	133.33
	Uncleaned.	64.19	51.99	83.33
	Rice flour, rice meal, and broken rice.	14.08	1 ct. per lb.	18.81
234	Wheat.	20.42	20	71.43
236	Butter.	32.88	24.74	31.11
237	Cheese.	42.96	28.80	43.30
238	Milk, fresh.	21.91	Free.	31.25
240	Beans.	40.63	20	47.37
244	Eggs.	41.97	32.02	53.37
246	Hay.	43.31	21.82	43.64
247	Honey.	44.83	26.12	52.23
248	Hops.	36.21	35.84	53.76
250	Pease, dried.	18.10	14.81	22.21
251	Orchids.	Free.	10	25
	Fruit plants.	20	Free.	30
254	Poppy and other oil seed.	9.41	20 cents per bu.	11.20
	Garden seeds not specially provided for.	20	10	30
	Canary seed.	Free.	Free.	30
255	Straw.	30	15	38.02
261	Fish:			
	Smoked, dried, and other fish.	17.90	1 cent per lb.	21.27
	Salmon.	8	9.76	18.86
	Salmon, picked or salted.	14.25	10.73	14.31
264	Currents:			
	Zante.	Free.	1½ cents per lb.	119.89
	Other.	Free.	Free.	119.60
	Dates.	Free.	20	25
265	Olives, green and prepared.	Free.	20	35
266	Grapes and peaches.	19.62	20	40
	Oranges:			
	In packages.	15.86	8 cts. per cu. ft.	33
	In bulk.	31.15	\$1.50 per M	33
	Lemons in bulk.	11.63	8 cts. per cu. ft.	33
267	Cocoanuts.	20	30	47.17
268	Pineapples.	Free.	20	51.77
269	Almonds—			
	Not shelled.	51.34	45.60	70.80
	Shelled.	42.42	37.10	44.52
270	Filberts and walnuts, not shelled.	52.99	50.86	76.29
271	Peanuts, shelled.	16.82	20	58.82
273	Bacon and hams.	26.06	20	31.25
274	Beef.	28.05	20	48.78
	Mutton.	17.13	20	41.67
	Pork.	24.33	20	38.46
275	Meats, dressed or undressed.	10	10	25
276	Extract of meat, all other not specially provided for.	17.95	15	21
	Poultry, dressed.	53.93	33.36	55.60
	Tallow.	9.49	Free.	17.86
280	Chicory root, burnt or roasted, ground or granulated, or in rolls, or otherwise prepared.	54.40	2 cents per lb.	77.74
281	Cocoa, prepared or manufactured, not specially provided for.	5.80	6.08	29.09
282	Cocoa butter and butterine.	13.75	14.02	14.02
283	Dandelion root and acorns, prepared, and other articles used as coffee, or as substitutes for coffee, not specially provided for.	40.15	30.05	65.08
284	Salt in bulk.	82.33	Free.	114.23
286	Dextrine, burnt starch, gum substitute, or British gum.	43.21	1½ cents per lb.	70.65
287	Cayenne pepper, unground.	35.10	2½ cents per lb.	43.22
289	Spirits distilled:			
	Brandy.	\$2.50 p. gal.	60.53	83.17
	Other, not specially provided for, manufactured or distilled—			
	From grain.	\$2.50 p. gal.	172.90	216.27
	From other materials.	\$2.50 p. gal.	276.82	346.02
291	Compounds or preparations of which distilled spirits are a component part of chief value, not specially provided for.	97.63	\$1.80 proof gal.	1,206.34

Table showing some of the articles upon which the Dingley bill levies a higher tariff tax than was levied by the McKinley bill—Continued.

Para-graph.	Article.	McKinley bill.	Wilson bill.	Dingley bill.
		Per cent.	Per cent.	Per cent.
292	Cordials, liquors, arracks, absinthe, kirschwasser, ratafia, and other spirituous beverages, or bitters containing spirits and not specially provided for.	\$2.50 per gal.	92.70	112.95
294	Bay rum or bay water, whether distilled or compounded.	227.13	181.95	272.08
296	Still wines, in bottles or jugs, containing each not more than 1 pint.	26.25	27.20	27.70
	Vermuth, including ginger wine and ginger cordial, in casks, containing 14 per cent or less of absolute alcohol.	50.49	30 cents per gal.	129.70
297	Malt liquors, viz, ale, beer, and porter, not in bottles or jugs.	60.53	50.89	67.85
298	Beverages not elsewhere specified: Containing not more than 18 per cent of alcohol.	156.41	164.99	197.99
	Containing more than 18 per cent of alcohol.	150.86	117.13	162.69
299	Prune juice, or prune wine, containing not more than 18 per cent of alcohol.	69.16	50 cents per gal.	106.85
	Containing more than 18 per cent of alcohol.	\$2.50 per gal.	133.78	189.66
300	Ginger ale or ginger beer, in plain, green, or colored, molded or pressed glass bottles, containing each not more than 1 of a pint.	17.25	20	25.71
	Lemonade, soda water, and other similar waters: In plain, green, or colored, molded or pressed glass bottles—			
	Containing each not more than 1 of a pint.	18.64	Free.	25.89
	Containing more than 1 of a pint each and not more than 1½ pints.	24.27	Free.	35.89
301	Mineral waters, all not artificial.	16 cents per doz.	Free.	20.00
303	Thread on spools, 100 yards on each spool.	56.38	53.21	58.05
315	Plushes, velvets, and velveteens: Not bleached, dyed, colored, stained, painted, or printed.	72.65	40	74.67
	Bleached, dyed, colored, stained, painted, or printed.	53.95	47.50	74.37
	Corduroys and other pile fabrics—	60.25	47.50	61.84
	Not bleached, dyed, colored, stained, painted, or printed.	68.75	40	69.72
	Bleached, dyed, colored, stained, painted, or printed.	62.42	47.50	69.62
	Dyed, colored, stained, painted, or printed.	60.52	47.50	65.93
320	Cords, braids, boot, shoe, and corset laces.	40	45	*50
322	Gimps, tape, galloons, webbing, goring, suspenders, and braces.	40	45	*45
	All other manufactures of cotton not specially provided for.	40	35	45
325	Flax, hackled, known as "dressed line."	10.77	6.95	13.00
326	Tow of flax.	7.40	Free.	13.11
327	Hemp, tow of.	9.16	Free.	17.64
334	Hemp and jute carpets.	15.83	20	45
355	Wool:			
	Class 1.	59.63	Free.	66.26
	Class 2.	56.21	Free.	53.97
	Class 3.	32 and 50	Free.	41.39
362	Shoddy.	32.50	15	293.75
363	Mungo and flocks.	34.32	15	36.84
	Valued at more than 40 cents per pound.	105.42	40	114.53
367	Blankets:			
	Valued at not more than 30 cents per pound.	88.22	25	106.53
	Valued at more than 30 and not more than 40 cents per pound.	*80	30	91.38
	Valued at more than 40 cents per pound.	*80	35	89.91
	More than 3 yards in length—			
	Valued at not more than 50 cents per pound.	*80	40	154.39
	Valued at more than 50 cents per pound.	80.33	50	113.25
	Flannels for underwear, valued at not more than 30 cents per pound.	84.90	25	101.60
370	Other clothing, ready-made, and articles of wearing apparel (except knit goods), made up or manufactured wholly or in part, including that having india rubber as a component material, not specially provided for:			
	Valued at above \$1.50 per pound.	80.30	50	78.96
	Valued at less than \$1.50 per pound.	80.30	45	104.96

\* Estimated.



Table showing some of the articles upon which the Dingley bill levies a higher tariff tax than was levied by the McKinley bill—Continued.

Para-graph.	Article.	McKinley bill.	Wilson bill.	Dingley bill.
370	Shawls, woolen or worsted— Valued at not exceeding 40 cents per pound. Valued at above 40 cents per pound.	Per cent. 88.60 82.25	Per cent. 35 40	Per cent. 195.85 103.50
	Knit fabrics and all fabrics made on knitting machines or frames— Valued at not exceeding 40 cents per pound. Valued at above 40 cents per pound.	93.96 93.96	35 40	184.75 142.81
	Hats of wool— Valued at not less than 30 cents per pound. Valued at more than 30 and not more than 40 cents per pound. Valued at more than 40 cents per pound.	86 106.38 104.22	25 30 35	235.58 176.67 180.65
	Felts: For printing machines— Valued at not more than 30 cents per pound. Valued at more than 30 and not more than 40 cents per pound. Valued at more than 40 cents per pound. Not specially provided for— Valued at above \$1.50 per pound. Valued at less than \$1.50 per pound.	93.00 93.00 93.00 93.00 93.00	25 30 35 50 45	370.94 179.34 127.08 85.07 107.94
	Plushes and pile fabrics, valued at not over 50 cents per pound.	105.09	40	154.81
372	Carpets and carpeting— Aubusson, Axminster, moquette, and chenille carpets, and carpets woven whole for rooms.	60.85	50	85
373	Saxony, Wilton, and Tournay velvet carpets.	60.55	40	80.22
374	Brussels carpets.	81.50	40	82.56
376	Tapestry Brussels, printed on the warp or otherwise.	77.97	42.50	79.42
377	Troble ingrain, three-ply, and all-chain Venetian carpets.	63.05	22.50	69.43
378	Wool, Dutch, and two-ply ingrain carpets.	64.74	30	70.55
384	Spun silk, in skeins or cops or on beams.	35	30	38.51
399	Envelopes, embossed, engraved, printed, or ornamented.	20.98	30	35
401	Writing, drawing, and all other paper not specially provided for.	25	30	30
407	Other manufactures of paper, or of which paper is the component of chief value.	25	20	35
408	Beads of glass, loose, unthreaded or unstrung.	10	35	35
412	Buttons: Known commercially as agate buttons, metal trousers buttons, except steel, and nickel bar buttons. Pearl or shell. Horn, vegetable ivory, glass, or metal. Shoe buttons, made of paper board, papier maché, pulp, or similar material, not specially provided for, valued at not exceeding 3 cents per gross.	25 143 50 65.03	25 57.15 35 25	35 78.25 43 84.32
415	Coal and coke: Bituminous coal and shale.	22.72	13.76	23.04
419	Emery: Grains, and ground, pulverized or refined.	25.10	Free.	28.95
425	Ostrich feathers. All other.	10 10	Free. Free.	15 15
432	Hats, for men's, women's, and children's wear, composed of the fur of the rabbit, beaver, or other animals, or of which such fur is the component material of chief value, wholly or partially manufactured, including fur hat bodies.	55	40	60
434	Jewelry: All articles not specially provided for, composed of precious metals or imitations thereof, whether set with coral, jet, or pearls, or with diamonds, rubies, cameos, or other precious stones or imitations thereof, or otherwise, and which shall be known commercially as "jewelry," and cameos in frames. Set and not specially provided for.	50 25	35 30	60 60

Table showing some of the articles upon which the Dingley bill levies a higher tariff tax than was levied by the McKinley bill—Continued.

Para-graph.	Article.	McKinley bill.	Wilson bill.	Dingley bill.
435	Precious stones, and imitations of, not set, composed of paste or glass, not exceeding 1 inch in dimensions.	10	10	20
438	Leather and manufactures of— Bend or belting and sole. All other not specially provided for.	10 10	10 10	20 20
447	Harness, saddles, and saddlery, or parts of either, in sets or in parts, finished or unfinished.	35	10	45
454	Paintings, in oil or water colors. Statuary.	15 15	Free. Free.	20 20

The above comparisons are based upon the average value of all importations of the same character during the entire fiscal year. This includes the cheapest articles of a certain class, as also the most expensive. Where the duty is specific the ad valorem on the cheap articles would far exceed the figures above given.

To illustrate: Wools denominated as first class are all taxed 11 cents per pound. Under the Dingley bill this includes a class of wools heretofore called "carpet wools," which, under the McKinley bill, were taxed 32 per cent.

Some of these wools sell at such a low price that the equivalent ad valorem would be over 200 per cent.

The average equivalent ad valorem on one class of buttons is put down at 48 per cent, and that on another class at 78.25 per cent; but some of these being very cheap, the ad valorem duty becomes immense. A New York importer gives instances where the duty on buttons would run to the following figures:

Vegetable ivory buttons for men's wear:	Per cent.
Size 24.....	120
Size 30.....	97
Nickel bar buttons for underwear, size 24.....	607
Linen bar buttons for underwear, size 24.....	447
French bone for underwear, size 25.....	157
French horn for underwear, size 26.....	108
Italian horn for women's wrappers and cardigan jackets, size 31.....	220

Another New York importer gives instances of the actual tariff tax under the Dingley bill upon the following cloths, which are in very general use:

	Per cent.
Black union beaver, 44-inch, for men's overcoats, cotton warp and shoddy weft.....	200
Black union beaver, 54-inch, for men's overcoats, cotton warp and shoddy weft.....	190
Black union beaver, 54-inch, for men's overcoats, cotton warp and shoddy weft.....	158
Black curl, 54-inch, for women's jackets and men's overcoats, cotton warp and shoddy weft.....	153
Black curl, 54-inch, for women's jackets and men's overcoats, cotton warp and woolen and shoddy weft.....	137

These figures show that under the specific duties which prevail in the Dingley bill the ad valorem tax upon cheap articles purchased by the wage earners of our land is enormous.

#### WHY WE HAVE LOST WHEAT EXPORTS.

I have prepared two tables; one showing the exports of wheat from the United States, Argentine Republic, and Russia, and also the exports of flour from the Argentine Republic, Russia, and India from 1880 to 1895, the other showing the average annual product of wheat in the United States, Canada, Argentina, Russia, and British India from the year 1881 to 1895.

The tables are as follows:

Table showing exports of wheat from the United States and the Argentine Republic and Russia, and exports of flour from the Argentine Republic and Russia and India from 1880 to 1895, inclusive.

Year.	Grain.			Flour.		
	United States.	Argentina.	Russia (including Poland).	Russia (including Poland).	Argentina.	British India.
	Bushels.	Bushels.	Bushels.	Pounds.	Pounds.	Pounds.
1880.....	150,712,500	42,829	86,553,741	92,105,845	3,137,776	5,167,317
1881.....	95,962,407	5,772	48,972,597	70,958,434	2,538,193	6,816,048
1882.....	107,352,242	62,658	76,373,532	101,131,373	1,200,838	7,860,854
1883.....	70,450,007	2,232,829	83,777,096	85,948,940	10,679,931	11,067,126
1884.....	84,935,183	3,986,623	67,735,676	98,949,689	8,232,834	18,879,201
1885.....	58,105,141	2,884,109	91,758,136	180,565,000	16,417,826	35,744,069
1886.....	102,390,395	1,391,265	51,614,696	131,451,320	11,601,065	36,082,349
1887.....	66,279,993	8,739,967	77,797,272	135,062,620	11,907,266	36,290,371
1888.....	46,635,624	6,574,431	127,445,302	97,320,851	14,092,778	48,572,042
1889.....	54,558,144	837,982	106,282,491	78,069,947	7,409,387	47,035,853
1890.....	55,131,948	12,047,924	99,955,844	58,363,313	20,494,807	61,028,205
1891.....	159,118,721	14,534,141	105,963,000	111,119,701	15,465,269	57,940,360
1892.....	117,693,859	17,273,565	49,022,000	77,931,854	41,554,505	65,446,446
1893.....	88,631,650	37,042,650	93,991,000	108,158,435	83,000,637	65,916,003
1894.....	76,651,496	59,094,067	123,139,000	128,201,150	89,855,067	74,113,622
1895.....	63,011,494	87,120,987	142,711,000	143,079,706	118,905,101	

Table showing average annual production of wheat, by quinquennial periods, in six of the principal wheat-exporting countries.

Countries.	Average annual product.		
	1881-1885.	1886-1890.	1891-1895.
United States .....	<i>Bushels.</i> 435,685,744	443,847,400	490,246,218
Canada .....	30,200,000	36,294,636	51,405,800
Argentina .....	* 13,000,000	22,300,000	61,600,000
Russia .....	† 224,106,611	233,400,988	301,406,600
India .....	289,721,362	245,657,238	224,900,600

\* Annual average for the two years 1884-1885.

† Annual average for triennium 1883-1885.

These tables show that while our product of wheat has increased, our exports have fallen to one-third, while our values of exports have fallen to one-fifth. It also shows that while India has decreased her production of wheat, she has increased her exports of flour fifteenfold, and it shows that India, Argentina, and Russia now supply the market that was once supplied by the United States.

There are two reasons for this. One is that our tariff laws and our financial laws against silver are such that the nations which purchase grain and flour find it more to their advantage to purchase in Argentina, Russia, and British India than in the United States.

It is true that the United States has increased its exports of flour, but by no means in proportion to its loss of exports of wheat.

We increased the tariff on wheat to enable a few American farmers on the Canada border to charge their neighbors more for that article.

But the Canadians quietly shipped their wheat to European markets, and during the last four years their exports to Europe have been 34,976,904 bushels, an annual average of 8,744,226, and we have lost that amount of export.

All these tables and facts should be well considered by Republicans who are engaged in raising wheat.

#### EXPORTS OF COTTON GOODS BY INDIA AND UNITED STATES.

I have also prepared the following interesting table, which tells our cotton planters that poor heathen India during the last quarter of a century has increased her exports of cotton goods more than fivefold, and that they are now more than double the exports of the United States. This is also due to Republican tariff and financial legislation.

Table giving values of exports of manufactured cotton (twist and yarn) from British India, and the exports of all cotton goods of domestic manufacture from the United States for the years 1871 to 1896, inclusive.

Year.	Exports from United States.	Exports from British India.	Year.	Exports from United States.	Exports from British India.
1871.....	\$3,558,136	\$6,861,828	1884.....	\$11,885,211	\$20,660,929
1872.....	2,304,330	5,730,325	1885.....	11,836,591	22,320,854
1873.....	2,947,528	6,898,506	1886.....	13,359,934	24,773,055
1874.....	3,065,840	7,763,898	1887.....	14,929,342	20,840,811
1875.....	4,071,832	7,994,103	1888.....	13,013,189	21,279,254
1876.....	7,722,978	8,297,154	1889.....	10,212,644	25,945,636
1877.....	10,235,843	9,417,641	1890.....	9,939,277	27,337,428
1878.....	11,458,680	11,169,002	1891.....	13,004,857	30,326,336
1879.....	10,893,650	12,564,462	1892.....	13,225,277	28,425,091
1880.....	9,881,418	13,324,068	1893.....	11,809,855	29,754,588
1881.....	13,571,387	15,125,000	1894.....	14,340,886	24,411,981
1882.....	13,222,979	16,231,169	1895.....	13,789,810	26,702,913
1883.....	12,951,145	19,308,374	1896.....	16,837,396	32,519,937

#### BILL TO PROTECT MONOPOLIES AND TRUSTS.

The bill should be entitled "An act for the protection of and to increase the power and wealth of combines, monopolies, and trusts."

Nearly the entire bill is framed to attain such a purpose. On March 31 a resolution was voted upon in the House the object being to incorporate a provision in the bill, the effect of which would have been to add an amendment placing

upon the free list all articles manufactured, produced, or controlled by any combination or organization of persons or corporations formed in the United States for the purpose of limiting, regulating, or controlling the supply or price of any such articles.

The proposed amendment also contained the further provision that

the rates of duty now prescribed by law shall be levied and collected on any or all of such articles when, in the opinion of the Secretary of the Treasury, such articles shall cease to be manufactured, produced, or controlled in the United States by any such combination or organization.

This amendment was a blow at organized trusts. It was voted for by every Democrat and voted against by every Republican, and, as a prominent Republican stated, if that amendment carried, the entire purpose of the bill would be defeated.

Nearly all the manufacturers of similar articles in the North-east have organized into what are called trusts or combinations. For instance, the Standard Oil trust, the cotton-seed oil trust, the nail trust, and the barbed-wire trust. These organizations are as follows:

All the manufacturers in a certain line combine together and elect a board of trustees. They keep informed as to the stocks of goods in the United States of the kind in which they are interested, and by closing a portion of their factories from time to time they keep the production down to the demand in this country. By these organizations they regulate the production, the price, and the price of labor. When the production exceeds the demand, several factories stop work, and thus laborers are thrown out of employment. This enables the manufacturer to take advantage of the suffering of these idle men and reduce wages.

In 1888 Mr. William Cook published a book on Trusts. He says:

A "trust" is a combination of many competing concerns under one management, which thereby reduces the cost, regulates the amount of production, and increases the price for which the article is sold. It is either a monopoly or an endeavor to establish a monopoly. Its purpose is to make larger profits by decreasing cost, limiting productions, and increasing the price to the consumer. This it accomplishes by presenting to the competitors the alternative of joining the "trust" or of being crushed out. Its organization is intricate, secret, and subtle.

They then have the power to cause one concern to be closed, limit the production of another, and so control the market.

This book and a work on monopolies and their relation to the people, published by G. P. Putnam's Sons, 1889, give some account of several organizations of this character which existed at that time.

#### REPUBLICANS PAY CAMPAIGN DEBTS.

I will print the list, together with the names of other trusts which have been organized since that time, as an appendix to my speech, and will state the tariff protection they now enjoy and the enormous increase which is donated to them by the bill.

The moment the Dingley bill was reported to the House the capital stock in each of these organizations commenced to rise and has continued to increase ever since.

To show the enormous extent of the benefit which these trusts and combinations expect to derive from this bill, I give below the names of eleven of these organizations, together with the amount of stock, its value in April, its value to-day, and the gross increase in values since this bill passed the House of Representatives.

Name of company.	Amount of stock (par 100).	Price in April.	Yester-day's price.	Increase in market values.
American Cotton Oil Co. ....	\$20,237,100	9½	15	\$1,214,226
American Cotton Oil Co., preferred.	10,198,600	52½	66	1,427,804
Equitable Gas Co. ....	4,000,000	180	262	3,200,000
Standard Oil Co. ....	100,000,000	250	320	70,000,000
American Spirits Manufacturing Co. ....	26,491,200	9½	14½	1,324,560
American Spirits Manufacturing Co., preferred.	6,062,820	26	34½	580,325
American Sugar Refining Co. ....	37,500,000	109½	144½	13,125,000
American Sugar Refining Co., preferred.	37,500,000	100½	113	4,875,000
American Tobacco Co. ....	17,900,000	67½	81½	2,500,000
Chicago Gas Co., certificate of deposit.	24,885,800	73½	98½	6,221,450
Consolidated Gas Co. ....	35,430,000	136½	169½	11,091,919
United States Leather Co. ....	62,221,900	6½	9½	1,896,657
United States Leather Co., preferred.	61,621,900	50	63	8,010,847
United States Rubber Co. ....	19,400,500	10	25½	2,910,075
United States Rubber Co., preferred.	20,166,600	52	70½	4,830,984
Western Union Telegraph Co. ....	95,370,000	75½	85½	9,537,000

The New York World and the St. Louis Republic each give a list of twenty-five organized trusts, together with figures, showing that the advance in their market value during the last three months exceeds \$200,000,000, and this is the recompense for their contributions to the campaign fund which restored the Republican party to power. I think anyone who is familiar with the facts will conclude that the convening of this extraordinary session and the enactment of this bill were solely for the purpose of paying campaign debts.

#### PRESIDENT'S MESSAGE MISLEADING.

On March 6, two days after the inauguration of the present Executive, he convened this extraordinary session of Congress.

On the 15th, the day Congress assembled, we received his message informing us that during the last three years the Government expenditures had exceeded our receipts and that we were convened for the sole purpose of enacting a law to increase the revenue. The closing paragraph of the message contains these words:

The necessity of the passage of a tariff law which shall provide ample revenue need not be further urged. The imperative demand of the hour is the prompt enactment of such a measure, and to this object I earnestly recommend that Congress shall make every endeavor. Before other business is transacted, let us first provide sufficient revenue.



President McKinley's message tells us that the expenditures exceeded the receipts during the last three years as follows:

Year ending June 30, 1891.....	\$69,803,200.58
Year ending June 30, 1892.....	42,805,223.18
Year ending June 30, 1893.....	25,203,245.70

The message seems to have created the impression that these deficiencies occurred under the Wilson bill. This is very erroneous.

Every dollar of the \$69,803,260.58 deficiency was incurred under the administration of the McKinley bill. A considerable portion of the \$42,805,223.18 was also incurred under the operation of the McKinley bill, and of the three amounts given the \$25,203,245.70 was the only one which occurred solely during the operation of the Wilson bill. This shows that under the Wilson bill the deficiencies were but little more than one-third what they were under the McKinley bill.

The records of the Treasury show that deficiencies commenced immediately after the McKinley bill went into operation. The deficiencies were \$13,891,347.93 the month following its passage, and during fifteen months of Harrison's Administration the expenditures exceeded the receipts, and in September, 1892, before Cleveland's election, the deficiencies commenced being continuous, and they continued every month until the close of Harrison's Administration.

I append a table and statement sustaining this assertion.

On March 22, 1897, the distinguished chairman of the Committee on Ways and Means [Mr. DINGLEY], the premier of the House, made an eloquent and thrilling speech upon this floor in which he earnestly appealed to his Republican conferees to vote for the tariff bill which on the first day of our session he had presented to the House.

His first utterance was as I will read:

Congress has been convened in extraordinary session by the President for the purpose of providing adequate revenue for carrying on the Government.

Mr. DINGLEY repeated the figures of deficiency as given by the President and added the assertion that the deficiencies for the year ending June 30, 1897, would be \$65,000,000. To show that Mr. DINGLEY was as far in error in this statement, as he has been in other estimates, I give the exact figures as furnished by the Treasury Department of the expenditures and receipts for the year ending June 30, 1897:

Expenditures.....	\$365,807,836.32
Receipts.....	347,184,728.62
Deficiency.....	18,623,107.70

This shows that Mr. DINGLEY's estimate exceeded the actual facts by \$46,876,892.80, and was more than three and one-half times the actual deficiency.

Republicans have attempted to explain this by stating that the large receipts within the last three months have been caused by excessive imports. They have especially dwelt upon the large imports of wool. Now, they forget that wool is on the free list, and most of the articles that are being imported largely are also on the free list, and therefore not one cent of revenue is derived from such imports.

That there was no necessity for increasing our revenues was evident, because the day the proclamation was issued the available cash balance in the Treasury was \$211,506,968.59, and on the day Mr. DINGLEY reported the bill and made his speech this available cash balance had increased to \$218,050,908.78, and to-day this cash balance has increased to \$231,301,930.61.

I will append to my speech figures showing that nearly every day since March 6 the receipts under the Democratic Wilson bill have far exceeded the expenditures.

These figures show that these excesses since March 6, the day that President McKinley issued his proclamation, have reached the enormous sum of \$38,149,879.25.

REPUBLICANS NOW CONFESS IT IS ONLY TEMPORARY.

The speeches during the campaign, and those made in both Houses of Congress during the first two months of the discussion of this bill, were eloquent in their assurances to the country that the bill about to be enacted by the Republican party would be so wise and just, and so satisfactory to all interests and all sections, that it could be regarded as the permanent law of our land.

Even the distinguished and aggressive advocate of extreme protection, Senator ALDRICH, of Rhode Island, joined heartily in this assurance. In his opening speech of May 25, 1897 (CONGRESSIONAL RECORD, page 1553), this distinguished Senator said:

Such a moderate and reasonable measure should be adopted as will insure a much greater degree of permanence to our tariff legislation. Frequent revisions of the tariff are productive of long periods of uncertainty and arrested development. The radical change in policy in 1894 proved disastrous to the business interests of the country.

The insincerity of these professions was soon made manifest. Enormity after enormity was adopted as the bill progressed. The alarm of the country became intensified. The great press of the country became vehement in their denunciation of the measure, and European nations, who are our largest purchasers, boldly

threatened to retaliate by placing prohibitory duties upon American products.

Republican Senators sought to quiet the alarm of the people. They abandoned all their assertions that the bill must be permanent, and took measures to assure the people that the bill was only a makeshift and that they would be afflicted by its evils and burdens only for a short time; and finally, to emphasize this assurance of the temporary character of the bill, an amendment was voted for by Republican Senators to attach a section to the bill providing for the appointment of three general appraisers, whose duty would be to commence immediate investigations and prepare recommendations to be submitted to Congress through the Secretary of the Treasury.

The effect of this amendment would be to commence laying the foundation for a new tariff bill the moment this bill became the law.

I mention this to show the utter inconsistency of the Republican party and their confession that the measure they are preparing is simply for the purpose of paying the political debts of the last campaign.

FARM LIFE PRODUCES OUR GREAT MEN.

I yield to no man, Mr. Speaker, in my devotion to the interest of the farmers of our country. From the farmer springs substantially all the wealth of which our country boasts, and the welfare of all other vocations is largely dependent upon his prosperity. When the farmer is prosperous, the manufacturer has the best market for his wares, the merchant collects his debts, the educator, the minister, the lawyer, the physician, and the followers of all other vocations are well paid. [Applause.]

The farmers are our best, most conservative, and most virtuous citizens during peace, and our bravest and least complaining soldiers during war. It is from the farm home that have come our great generals, our wisest statesmen, our most eminent jurists and divines, and our inventors; and it is from that nursery of virtue that have come the men who have built our cities, our manufactories, our railroads, and developed our commerce. It was to the virtue and the wisdom of farmers that we owe the foundation of this great Republic.

Washington, the father of our country, and the successful commander of our Revolutionary Army, was a farmer, and reared by his mother, a farmer's widow.

Putnam, Wayne, Starke, Marion, Greene, Lincoln, Mercer, and Sullivan were farm boys, and after reaching manhood followed the vocation of farmers. Grant, Lincoln, Lee, and Stonewall Jackson were reared upon farms.

With scarcely any exception, all the great men of our colonial days and the members of our colonial and continental Congresses were men who devoted themselves to the ennobling occupation of agriculture. The same is largely true regarding the learned, wise, and eminent statesmen to whom we are indebted for the Constitution under which we live; for not only was the constitutional convention itself mostly composed of farmers, but the conventions of the States which ratified that instrument were also almost entirely composed of men who had been reared upon the farm and were following that profession as a vocation.

FARMERS INJURED BY HIGH TARIFF.

I oppose the tariff upon farm products for the reason that my investigations have convinced me that it is injurious to 99 out of 100 of our farmers, and that the tariff is placed upon their products for the purpose of inducing them to join the Northeastern manufacturers in electing officials who will enact tariff laws dictated by them.

I give below a statement of the proposed tariff on many farm products, and also give the quantity imported last year:

Article.	United States production.	Quantity imported.	Value of imports.	Tariff.
				Per cent.
Cotton-seed oil.....	gallons.....	7,621	\$2,216	24.07
Barley.....	bushels.....	829,017	312,224	79.39
Barley malt.....	do.....	5,579	4,774	52.59
Beans.....	do.....	427,028	404,461	52.79
Buckwheat.....	do.....	15,341,000	526	48.38
Cider.....	gallons.....	4,663	1,704	13.68
Corn.....	bushels.....	2,151,139,000	5,230	26.37
Corn meal.....	do.....	338	287	23.53
Eggs.....	dozen.....	518,249,201	946,777	53.37
Hay.....	tons.....	96,831,480	312,471	43.64
Honey.....	gallons.....	46,047	17,632	52.23
Lard.....	pounds.....	2,116	240	21.08
Pease (split).....	bushels.....	612	1,540	19.22
Pease (green).....	do.....	345	568	24.87
Potatoes.....	do.....	261,496,623	175,475	34.38
Onions.....	do.....	598,491	413,810	57.85
Oatmeal.....	pounds.....	544,212	19,704	17.47
Rye.....	bushels.....	27,200,000	135	4.65
Rye flour.....	pounds.....	40	1	20
Straw.....	tons.....	7,937	31,315	38.02
Wheat.....	bushels.....	407,103,000	20,935	70.84
Wheat flour.....	barrels.....	1,201	6,258	25
Cotton.....	bales.....	9,901,251	50,418	

If we leave out hay, the entire value of the imports of all these farm products would be only \$1,445,916, a sum which is absolutely insignificant when compared with the total value of the farm products of the United States, which were estimated last year at over \$3,000,000,000.

It seems to me impossible to conceive of more injudicious legislation.

The tax on these farm products can not and does not have the effect of raising the price of the articles, except in a narrow strip along our immediate border, and therefore can not have any beneficial effect, except to, say, one citizen out of a thousand.

#### WRONG END OF THE LEVER.

Statesmen who are trying to help the farmer by putting a tariff duty on wheat, rye, rye flour, barley, barley corn, cornmeal, cotton, pease, cotton-seed oil, straw, oatmeal, and wheat flour have gotten hold of "the wrong end of the lever." Most of them know that they are at the wrong end, and they are willfully trying to deceive the farmer; others who are intrusted with legislation innocently catch "the wrong end" because they have been deceived by wily, sagacious, and unscrupulous politicians.

To illustrate the force of this, I give a statement showing the number of bushels of various farm products produced in the United States to one bushel imported, and the same estimate in regard to tons of hay, pounds of hops, and bales of cotton:

In year—	Production to 1 bushel imported.
1896, for 1 bushel corn imported we produced.....	411,114 bushels.
1893, for 1 bushel corn imported we produced.....	863,817 bushels.
1896, for 1 bushel wheat imported we produced.....	17,341 bushels.
1891, for 1 bushel wheat imported we produced.....	113,187 bushels.
1896, for 1 bushel barley imported we produced.....	105 bushels.
1896, for 1 bushel buckwheat imported we produced.....	29,165 bushels.
1896, for 1 bushel buckwheat imported we produced.....	35,468 bushels.
1896, for 1 bushel rye imported we produced.....	1,875,000 bushels.
1890, for 1 bushel rye imported we produced.....	933,333 bushels.
1894, for 1 bushel rye imported we produced.....	534,532 bushels.
1896, for 1 bushel rye imported we produced.....	201,555 bushels.
1896, for 1 bushel potatoes imported we produced.....	1,696 bushels.
1896, for 1 bushel oats imported we produced.....	4,413 bushels.
1896, for 1 pound hops imported we produced.....	723 pounds.
1893, for 1 ton hay imported we produced.....	641 tons.
1896, for 1 bale cotton imported we produced.....	166 bales.

#### LEGISLATIVE FOLLY.

Did any nation on earth ever commit such a folly as to put a tariff tax on rye with the records before them that in a single year we produced nearly 2,000,000 bushels to one bushel imported, and a tariff of 26.37 per cent on corn when we produced 863,817 bushels to one imported, and a tariff of 48.33 on buckwheat when we produced 35,468 bushels to one imported?

In 1887, with a tax on cotton-seed oil of 25 cents a gallon, only 15 gallons were imported. In 1888, 2 gallons were imported. In 1889, 1890, and 1891 the Treasury Department reports that there were no imports. In 1892, with a tax of 10 cents a gallon, 14 gallons were imported. In 1894, 10 gallons were imported. The Democrats then made cotton-seed oil free, and in 1895 but 1 gallon was imported.

It is true that under peculiar circumstances the importations were much larger in 1894 and 1896.

Republican legislation is like the same old story—they take the turkey and give us the buzzard, but they strip the buzzard of its feathers before handing it to the Southern farmer.

Now, the detrimental effect of putting a tariff upon articles which we produce so abundantly and export so largely is that it induces nations which import and consume these products to put upon them heavy import duties, and thus restrict or prevent us from selling our products in their markets.

#### UNDER DEMOCRATIC LAWS FARMERS BUY IN THE CHEAPEST AND SELL THEIR PRODUCTS IN THE HIGHEST MARKETS.

The Democratic party seeks to help the American farmer by making laws so as to enable him to sell his products with the least possible restriction in the highest market, and therefore get the highest price, and at the same time to enable him to buy his bagging and ties and fertilizers and seeds and cotton gins and cotton machines and clothing with the least possible restriction in the lowest market, and therefore at the cheapest price.

It is for this reason that Democrats seek to admit all of these articles free. That is the way to relieve the farmer of burdens.

That was the line of legislation in the Wilson Democratic bill, but this Republican bill reverses the method. It puts a duty upon all these articles which farmers purchase, which increases their cost, therefore compelling them to purchase in the highest market.

The result of Republican legislation is to induce those countries where our farmers find a market for their products to enact retaliatory tariff legislation, which restricts or prevents our farmers from selling their goods in the highest market, and in that way prevents their getting the highest price for what they produce.

Again, I have always advocated and insisted upon machinery for making cotton being admitted free. This was for the benefit of the cotton farmers, because it facilitated the preparation of their

raw cotton for the use of mankind, and this always tends to enhance the value, even in its raw state.

#### DETRIMENTAL EFFECT OF INJUDICIOUS TARIFF LAWS.

Witness the effect of injudicious tariff laws. With cotton free of duty, we have increased our production to 9,901,351 bales in 1894, from 5,713,300 bales in 1884, while with an equivalent ad valorem duty varying from 100 to 200 per cent on wool, our production of wool has fallen to 335,210,712 pounds in 1894, from 337,500,000 pounds in 1884, and the wool clip of Texas under this enormous tariff duty has fallen to 20,014,883 pounds in 1894, from 26,973,296 pounds in 1884, and the number of sheep during the same time has fallen to 2,859,269 in 1894, from 4,691,008 in 1884. Now, with cotton absolutely free of duty, Texas has increased the crop of that article to 3,073,861 bales in 1894, from 1,101,746 bales in 1880, and yet with these facts before them, Republican politicians insult the intelligence of the people of that great State by telling them that they advocate a protective duty on their cotton, wheat, corn, and wool because they love the people of Texas and want to increase their prosperity.

Their devotion to our Texas people is very like that of the devotion of the friends of Max Lebandy: This unfortunate Frenchman inherited \$3,600,000. He was immediately surrounded by friends who assured him they wished to make him a rival of the Rothschilds, and one year after attaining his majority he died a bankrupt.

Some of his devoted friends are now in prison, charged with and convicted of willfully persuading him to enter into business arrangements which they knew would result in loss to him.

Now, if this country was like France and they imprisoned men here for knowingly attempting to persuade good, honest farmers into the advocacy and support of legislation detrimental to their interest, some of our great Republican statesmen would inhabit the penitentiary for the rest of their lives.

#### FERTILIZERS.

For fifty years gypsum, or plaster of paris, has been free. It is well known that the fertility of our soil is being rapidly exhausted, and that every ton of the products of agriculture that is shipped abroad enriches the nation but impoverishes our soil. After the tariff bill had been reported by both the House and Senate with this article free of duty, the mine owners procured the adoption of an amendment subjecting this fertilizer to duty.

Now, it must be borne in mind that the farmer gets no drawback and no compensatory duty upon anything he produces, while the manufacturer is allowed either a compensatory duty, a drawback, or free raw material on everything that enters into the manufacture of his products, in addition to the protection allowed on the article he manufactures.

#### BARLEY.

The price of barley, in spite of the almost prohibitory duty, has fallen from 74 cents a bushel in 1883 to 38 cents in 1896.

Now, the proposed duty of 30 cents for a value of 40 cents must of necessity be prohibitive.

This duty will not benefit one farmer out of five hundred. The only persons it can benefit are the few who raise barley along the Canadian border.

It can not benefit farmers generally, for we produce more barley than is consumed in the United States. Last year we exported 7,680,331 bushels, while we imported only 826,017, about one-tenth of exports.

Examples of the effect of high tariff legislation and the resulting retaliatory tariffs from foreign countries come constantly to my mind. Last year we raised 2,151,139,000 bushels of corn, worth \$1,000,000,000. We could readily have exported half of this, but, on account of retaliatory tariffs with foreign countries, our exports of corn have for several years run from \$13,000,000 to \$30,000,000 and our exports of wheat from \$11,000,000 to \$60,000,000, whereas formerly our exports of wheat were \$232,000,000 and our exports of corn over \$56,000,000.

#### DESTRUCTIVE EFFECT OF HIGH TARIFF.

A nation which has but 4 per cent of the population of the world, and produces 87 per cent of the corn certainly should so frame its laws as to secure as far as possible the markets of the world for its surplus products.

This is so plain and unquestionable that it seems to me it will be admitted by all intelligent people. My examination of our country's history has so thoroughly convinced me that I have frequently alluded to it since I have been in public life.

I trust I may be pardoned for referring to some of my speeches upon this point which I happen to have before me on my desk.

On January 30, 1883, having moved to strike out the tariff on cotton seed oil, I said:

On cotton-seed oil there is a duty of 30 cents a gallon. By imposing this duty we justify Italy in imposing a tariff duty upon the cotton-seed oil that we export to that country, and I see by the report of the Tariff Commission that nine-tenths of the cotton-seed oil made in the United States is exported to Marseilles, Trieste, and other Mediterranean ports.

Now, again, comes the question of retaliatory tariff. I am informed that



after we enacted the law taxing the importations of raw cotton-seed oil into our ports, the Government of Italy retaliated and laid a tariff tax on all cotton-seed oil which we shipped to her ports, and as a consequence materially impeded our trade to that country.

On March 21, 1892, I made an argument in this Hall against high tariff, and in referring to this question I said:

In the speech which I had the honor to make in this Hall January 30, 1883, I made a motion to strike out a clause in the tariff bill of that year which proposed tariff protection to manufacturers of cotton-seed oil.

The bill proposed to continue a duty of 30 cents per gallon, equal to 86 per cent ad valorem. The people of the South were struggling to build up this new industry, and with great difficulty we had found a foreign market, three-fourths of which was with Marseilles, Trieste, and other Mediterranean ports.

I am informed that France and Italy had been induced to put an import duty on our cotton-seed oil, and our exports, which in 1880 reached 6,907,796 gallons, fell off in a few years to only 415,011 gallons. In 1883 these facts were presented to Congress, but the best we could do was to get a reduction of duty to 25 cents.

It is true that since that time we have built up an export trade with the Netherlands and other countries, and I give this experience as a proof of the injurious effects of injudicious legislation. Again, on May 9, 1890, I spoke against the McKinley bill in these words:

#### PREDICTIONS FULLY VERIFIED.

The advocates of the bill now before the House tell us that it will stop the importation of all manufactured articles which can be made with American labor, and they are so ignorant of the great laws of trade and commerce as to exultingly boast of the injurious effect the McKinley bill will have upon foreign industries.

I want to say here and now, and I want it to be remembered, that I assert this bill is framed so as to especially favor the general policy of the English commercial system, and I further assert that it will not be regarded with disfavor by the statesmen who control that system.

Any action upon our part which cuts off or limits the commercial relations of the United States with the rest of the world will be to the advantage of English manufacturers and English commerce and will go far toward adding to the supremacy of England upon the oceans of the world. It is true that some manufacturers of England, who are engaged in the production of articles particularly adapted to our market, will be subjected to losses, but the great bulk of English trade and commerce will ultimately be the beneficiaries of the suicidal policy upon which the McKinley bill is based.

I have not time to repeat the statistics, but in my speech of May 10 of this year I gave the exact figures showing that under the McKinley bill our iron industries had fallen off, while those of nearly all European countries had been materially benefited.

#### EUROPE THREATENS RETALIATION.

Since the purpose of those who are responsible for the Dingley bill has been made public the great journals of Europe have informed us that European nations will promptly enact laws placing high and probably prohibitory duties against the products of the United States.

The following dispatch from Berlin is a brief but pointed expression of this character:

#### CLAMORS FOR RETALIATION—A TARIFF COALITION OF EUROPEAN COUNTRIES PROPOSED.

The Kreuz Zeitung, of this city, in an article directed against the Dingley tariff, clamors for retaliation, and asks the Government to form a tariff coalition with Austria, France, Italy, Spain, and Holland for the purpose of keeping American grains, meat, cotton, and petroleum out of all those countries. This proposal has attracted attention throughout Europe.

That this threat will be carried out, at least in a measure, I think there can be no doubt. The bill is prohibitory, or nearly so, on many articles which Germany has been selling in this country, and the tariff upon German refined sugar is doubled. The sugar trust will be the immediate beneficiary, the people the victims of this legislation.

#### THE SUGAR-TRUST SCHEDULE.

It is quite apparent that the sugar trust, like all the other combines, has succeeded in securing a schedule on sugar which will give this wealthy organization most enormous profits. It is a painful spectacle to see the sugar-trust attorneys and agents coming to a Republican Congress, controlling their committees, and influencing the votes of men who are sent here by honest constituencies to defend the rights of the people.

This exercise of the power of wealth in controlling legislation reminds me of the corrupt days of the Roman Empire, prior to the downfall of that great nation which was once the mistress of the world. [Applause.]

Mr. JOHNSON of Indiana. Will the gentleman permit me a question?

Mr. WHEELER of Alabama. Yes.

Mr. JOHNSON of Indiana. I understood the gentleman to speak of this Congress being dominated by the sugar trust.

Mr. WHEELER of Alabama. Yes, the Republican side of it.

Mr. JOHNSON of Indiana. Well, I understand that in the bill under consideration now the differential duty on sugar is less than it is in the existing Wilson law.

Mr. WHEELER of Alabama. The gentleman is mistaken. The bill now being considered gives a differential or protection to the refiners, which includes the sugar trust, more than twice as great as that which they enjoyed under the Wilson bill.

Mr. JOHNSON of Indiana. That is not my understanding.

Mr. WHEELER of Alabama. If the gentleman will examine

the statement upon this subject from the Treasury Department, he will see that he is mistaken. It is true that by taking a certain grade of very cheap raw sugar of which very little is imported such a result has been figured out.

For instance, Mr. DINGLEY makes his estimate on raw sugar at 1.85, when to be accurate he should have put it at 2.13, which was the correct price as stated by the Treasury officials.

It has also been stated that there were undervaluations under the Wilson bill which gave importers an advantage, but this statement is not substantiated and has been denied.

Under the Wilson bill the duty on refined sugar is 40 per cent ad valorem and one-eighth of a cent per pound, and if imported from Germany, the place from which most of our refined sugar comes, the duty was 40 per cent and nine-fortieths of a cent, because of the bounty paid by that country.

The duty under the House bill was 1.875, and under the conference report as it now is it is 1.950.

More than 90 per cent of imported sugar comes to us in a raw condition, and the sugar trust refines and furnishes to the public 96.67 of this importation.

The greater part of the sugar imported was 92 degrees.

Mr. DINGLEY admitted this in the speech which he has just made. He said:

Ninety-two degrees test was the average test of the importations of raw sugar last year.

According to the conference report (paragraph 209) the duty on 100 pounds of refined sugar would be \$1.95, and on 100 pounds of 92-degree raw sugar, \$1.545, leaving a protection to the sugar trust on 100 pounds of sugar of four hundred and five one-thousandths.

Now, most of the refined sugar which is imported in this country comes from Germany, and that country pays a bounty of 37.8 cents upon 100 pounds of refined sugar.

Now, section 5 in the latter part of this bill provides that—

There shall be levied and paid, in all such cases, in addition to the duties otherwise imposed by this act, an additional duty equal to the net amount of such bounty or grant.

Therefore on all German refined sugar there would be a protection under this bill of 78.3 cents upon 100 pounds.

Senator ALDRICH says (CONGRESSIONAL RECORD, page 1556):

I have taken first marks German granulated for the comparison, as this is the sugar that competes with our refiners and furnishes the proper basis for comparison.

He also says, on page 1557:

I have taken the March figures as a basis for all comparisons, as I believe they fairly represent normal conditions.

Now, German refined sugar was 2.3 cents a pound in March, and 40 per cent duty on \$2.30 is 92 cents. One-eighth of a cent per pound differential is one hundred and twenty-five one thousandths. One-tenth of a cent per pound countervailing duty is ten one-hundredths, and the total duty on 100 pounds of German refined is \$1.145.

Now, under the Wilson law, the duty on raw sugar did not include any one-eighth differential, and as no raw sugar comes from a bounty-paying country there was not any countervailing duty, the only duty on raw sugar under the Wilson bill being 40 per cent, and the duty on 100 pounds, worth \$2.13, would be eight hundred and fifty-two one thousandths.

Now subtract this from \$1.145 and we would have two hundred and ninety-three one-thousandths, which would be the protection to refiners on 100 pounds of sugar under the Wilson bill.

Now, according to the conference report, the duty on 100 pounds of German refined sugar would be 1.950; add the countervailing duty, 37.8, and the total duty on 100 pounds of German refined would be \$2.328.

Now, the duty on 100 pounds of 92-degree raw sugar is \$1.545, and the protection to the refiners under the conference report would be seven hundred and eighty-three one-thousandths. The protection to refiners under the Wilson bill would only be two hundred and ninety-three one-thousandths, showing that the refiners get forty-nine one-hundredths more under the Dingley law as reported than under the Wilson law.

Mr. GAINES. The gentleman from Maine [Mr. DINGLEY] also said that the sugar stock had gone up, and in the breath previous he said the tariff on sugar had been lowered.

Mr. JOHNSON of Indiana. We can not understand the reasons of speculators for the rise and fall of sugar stock, but we can tell the difference between one-eighth and one-fifth differential. Now, what I want the gentleman to do is, if we have been dominated by the sugar trust, to point it out in some tangible way, that I may be able to comprehend.

Mr. WHEELER of Alabama. What I have stated, which you will find elaborated in the conference report, is quite explanatory. The gentleman can not doubt but that the sugar trust understands the advantage, because since the report has been made sugar-trust stock has risen so that the total increase enriches its owners by about \$11,000,000. If I had time, I would make an elaborate statement.

Mr. JOHNSON of Indiana. I do not want an elaborate statement, but just a pointed one that I can comprehend.

Mr. WHEELER of Alabama. If the gentleman will go with me to my committee room at his leisure, I will figure the matter out for him in all its aspects.

Mr. JOHNSON of Indiana. But the vote, I understand, is to be taken to-night, and that kind of information would be of no use.

Mr. WHEELER of Alabama. If it is possible for the Democratic side of the House to prevent it, we will not allow a vote to take place to-night.

The public press only received the conference report this afternoon, and the Republican majority are endeavoring to force us to a vote to-night, because they know that the public press to-morrow morning throughout the country will denounce the bill so furiously that it will be very difficult to keep their party in line. They know that if the bill is delayed until to-morrow there will be many Republicans who will be afraid to vote for it. [Laughter and applause.] That is the reason why they are so anxious to force a vote to-night.

Mr. JOHNSON of Indiana. That is a phase of the question that had not occurred to me.

Mr. GAINES. They formulated this bill at night and want to pass it at night.

Mr. WHEELER of Alabama. Dispatches tell us that stocks of all combines and trusts have risen in New York in the last two hours. Since the features of this bill were sent off by telegraph sugar stock jumped 7 points at once. No doubt combines and trusts, in whose interests this bill was framed, have telegraphed here ordering that the bill be passed to-night. This morning in the conference committee neither Mr. DINGLEY nor anyone else made any suggestion or expressed any desire for the vote to take place before to-morrow night. Orders must have come from somewhere to make the change.

Mr. HANDY. The stock has risen over 11 per cent to-day.

Mr. WHEELER of Alabama. I am informed by the gentleman from Delaware that sugar stock has risen over 11 per cent to-day.

Mr. GAINES. And that under a tariff that is said to be less than the Wilson bill.

Mr. JOHNSON of Indiana. That may be. We do not understand what the course of the speculator is upon propositions of this kind. Certainly if there is anything in the interest of the trust in this legislation, some gentleman ought to be able to discover it.

Mr. WHEELER of Alabama. It seems to me, from the way the sugar trust and other trust stocks are jumping up in price, that most of the people have discovered it.

My objection to the bill is that, while it will add to the wealth of a very few, the effect will be detrimental to the general prosperity of the country.

#### THE TARIFF A PROBLEM OF POLITICAL ECONOMY.

I hold in my hand a book published in New York, 1885, entitled Economic Fact Book. I find entire chapters devoted to views of people on the tariff. Among them I find an expression from myself, which I will read. It expresses my views then; I adhere to the same views to-day, and I do not expect to change them as long as I live. I read from page 141:

I think all will concede that successful manufactories are very important, if not essential, elements to the prosperity of agricultural interests. Certainly all will concede that in a country like ours, where we have such abundant raw material—coal, iron, copper, timber, cotton, and wool—we ought to excel all other nations in the variety and extent of our manufactures. No one will deny the fact that the tariff law of March 3, 1883, and the law which was repealed at that date utterly failed to even approximate such a result.

Under these laws we have not succeeded in selling the products of our factories to any extent in foreign markets, but, quite the contrary, we have seen England supply the world with fabrics and get prices for them much higher than we would be glad to sell the same articles, while at the same time we have seen our home markets glutted by overproduction; and we have not seen factory operatives enjoying steady and well-paid work, and to-day we see Bismarck recommend that the Reichstag treble the duty on American wheat and allow it to stand untouched upon Russian cereals. It seems to me that the tariff question should be regarded as a problem of political economy the solution of which would be to find what laws will do most toward stimulating and building up the industries of our country. To attain this, I think the tariff must be revised so as to be fair to all interests, so as to encourage a trade with foreign nations, so as to bear heaviest upon articles of luxury and lightest upon articles of necessity.

#### MANUFACTORIES ESSENTIAL TO BEST INTERESTS OF AGRICULTURE.

Experience has clearly proven that the best interests of the farmer requires the establishment of factories in easy access to the farm.

Without the aid of the skill and machinery of the manufacturer, comparatively few of the products of the agriculturists would be of much value.

We must have mills and factories, so that the raw material of the farm and mine may be changed into finished products suitable to the use of man, and therefore, as a friend to the farmer, I advocate laws which will encourage the manufacturing interests of our country.

Now the Southern farmer ships two-thirds of his cotton across the ocean to the mills of foreign countries. If all of the raw cotton could be manufactured in the immediate vicinity of its growth, much expense of transportation, etc., would be saved, and the farmer would be the recipient of a share of this benefit. The establishment of these factories would bring a large population which would again make a demand for products of the farm other than cotton, and our cotton crop, which now sells for from \$292,234,437 to \$430,380,174, would when manufactured into cloth and thread bring us from \$1,500,000,000 to \$2,000,000,000.

#### ALEXANDER HAMILTON SAYS TARIFF ON COTTON DETRIMENTAL.

Hamilton's report to Congress as Secretary of the Treasury (page 243 of his works) speaks of cotton, wool, and silk and the peculiar adaptability of the Southern States to those products. Secretary Hamilton then proceeds to speak of the culture of cotton in these words:

The extensive cultivation of cotton can, perhaps, hardly be expected, but from the previous establishment of domestic manufactories of the article.

He also says, page 278:

The present duty of 3 cents per pound on the foreign raw material is undoubtedly a very serious impediment to the progress of those manufactories.

It thus appears that Hamilton contended that the prosperity of our cotton planters required the establishment of factories to convert their raw material into finished product, and he specially asserts that a tariff duty upon raw cotton was a detriment to the cotton planters.

This principle, so far as it affects raw cotton and raw wool, has been reiterated by our Presidents and Secretaries of the Treasury from that time to this. Hon. James Guthrie, who was Secretary of the Treasury during Pierce's Administration, made a strong report in favor of free raw material, and in speaking of free wool said:

A single example illustrates the case: Great Britain admits wool, a raw material, free of duty, and the United States imposes upon it a duty of 30 per cent. This enables the English manufacturer to interfere with the American manufacturer in the American markets, and to exclude him from the foreign markets. It does more. It surrenders the market of the countries producing the raw material to the nations who take it free of duty.

Now, as raw cotton bears a relation to cotton mills that raw wool bears to woolen mills, it is interesting to see that Hamilton's idea of free raw cotton in 1791 was based upon reasoning quite in harmony with the advocacy of free raw wool by our most distinguished statesmen during the last half century.

Congress disregarded Hamilton's advice, and until 1846 they maintained an import tax of not less than 3 cents, and at one time 6 cents, a pound on raw cotton. Its repeal did not lessen our crops, but, on the contrary, during the next thirteen years our net production of cotton increased 300 per cent, and is now five times what it was when the misguided friends of the cotton planters were attempting to aid him by a protective tariff on cotton.

#### FREE COTTON INCREASED CROPS AND PRICE.

In reading the speeches in Congress during and prior to 1846 you will find that those who insisted on the continuance of that tax maintained that if cotton were made free the price would fall and we should be flooded with cotton from every land. But the wisdom of our people viewed the matter in a different light, and the policy of the Democratic party triumphed. Cotton was made free, and from that moment the price of cotton rose and rose continually until 1861.

Between 1846 and 1860 the cotton crops of the United States more than tripled, the crop of 1846 being 1,778,651 bales weighing 431 pounds each, and the crop of 1859 and 1860 being 4,861,292 bales weighing 460 pounds each, and the price rose from 8 to 13 cents, and during that period our exports of raw cotton increased from 1,241,200 bales to 3,774,173 bales.

All of our Presidents to the beginning of our Government were impressed with the truth of these propositions.

On January 8, 1790, Washington sent his first annual message to Congress, in which he used these words:

The advancement of agriculture, commerce, and manufactures by all proper means will not, I trust, need recommendation; but I can not forbear intimating to you the expediency of giving effectual encouragement as well to the introduction of new and useful inventions from abroad as to the exertions of skill and genius in producing them at home.

On December 8, 1795, Washington, in his seventh annual message, congratulated the country on the unexampled prosperity of the Union under light taxes, in these words:

Our agriculture, commerce, and manufactures prosper beyond example.

Every part of the Union displays indications of rapid and various improvement, and with burdens so light as scarcely to be perceived.

Is it too much to say that our country exhibits a spectacle of national happiness never surpassed, if ever before equaled?

#### TARIFF OF 12 PER CENT FOSTERS MANUFACTURES.

And with the average import taxes still as low as 11 to 12 per cent, Washington, on December 7, 1796, transmitted his eighth annual message to Congress, from which I read these words:

Congress have repeatedly, and not without success, directed their attention to the encouragement of manufactures.



The message did not say that Congress encouraged manufactures by duties upon imports, and it is very probable that he had in his mind the recommendation of Hamilton in favor of admitting foreign raw material free.

President John Adams, in his first annual message, November 23, 1797, in speaking of commerce, he said:

Our agriculture, fisheries, arts, and manufactures are connected with and depend upon it.

December 8, 1801, Mr. Jefferson, in his first annual message, said:

Agriculture, manufactures, commerce, and navigation, the four pillars of our prosperity, are the most thriving when left most free to individual enterprise.

In Madison's second annual message, December 5, 1810, we find these words:

To a thriving agriculture and the improvements relating to it is added a highly interesting extension of useful manufactures, the combined product of professional occupations and of household industry.

Mr. Madison's seventh annual message, December 5, 1815, is emphatic in its advocacy of a tariff for revenue, but Congress was especially cautioned to consider the influence of a tariff law upon manufactures. He said:

In adjusting the duties on imports to the object of revenue, the influence of the tariff on manufactures will necessarily present itself for consideration.

Mr. Madison was then known and referred to as the "Father of the Constitution," and he probably comprehended the widest scope of the powers conferred by that instrument as understood and intended by its progenitors more thoroughly than any man who assisted in framing it.

Is it not probable that this expression of Mr. Madison meant that the proper way to encourage American manufactures was to enable them to purchase their machinery and material without the burden of a tariff duty?

In this message Mr. Madison also uses this language:

Under circumstances giving a powerful impulse to manufacturing industry, it has made among us a progress and exhibited an efficiency which justify the belief that with a protection not more than is due to the enterprising citizens whose interests are now at stake, it will become at an early day not only safe against occasional competition from abroad, but a source of domestic wealth and even of external commerce.

Cotton was then beginning to be an important agricultural staple, owing in a great measure to the improvement of the cotton gin, and Mr. Madison says:

It will be an additional recommendation of particular manufactures where the materials for them are extensively drawn from our agriculture, and consequently impart and insure to that great fund of national prosperity and independence an encouragement which can not fail to be rewarded.

Mr. Blaine, in his Twenty Years in Congress (page 189), in speaking of the tariff of 1816, says:

New England was radically hostile to high duties for the reason that they seriously interfered with the shipping and commercial interest in which her people were largely engaged. In examining the debates on that important act, it is worthy of notice that Mr. Clay, from an extreme Western State, was urging a high rate of duties on cotton fabrics, while his chief opponent was Daniel Webster, then a Representative from Massachusetts.

On page 190 Mr. Blaine explains Mr. Webster's position in these words:

Mr. Webster's opposition to protection was based on the fact that it tended to depress commerce and curtail the profits of the carrying trade. The tariff of 1816 was termed "moderately protective," but even in that form it encountered the opposition of the commercial interest.

Mr. Blaine says (page 191):

The act of 1824 was avowedly protective in its character, and was adopted through the influence of Mr. Clay, then Speaker of the House of Representatives. . . . Mr. Webster again appeared in the debate arguing against the "obsolete and exploded notion of protection," and carrying with him nearly the whole vote of Massachusetts in opposition.

In his message to Congress of December 2, 1828, Mr. Adams used these words:

The great interests of an agricultural, commercial, and manufacturing nation are so linked in union together that no permanent cause of prosperity to one of them can operate without extending its influence to the others.

On December 8, 1829, President Jackson sent his first message to Congress, and comments upon the effect of the tariff laws in these words:

The agricultural interest of our country is so essentially connected with every other, and so superior in importance to them all, that it is scarcely necessary to invite to it your particular attention. It is principally as manufactures and commerce tend to increase the value of agricultural productions, and to extend their application to the wants and comforts of society, that they deserve the fostering care of Government.

#### AGAINST MONOPOLY.

President Jackson was so strenuously opposed to any system which might by any possibility tend to establish monopolies that on April 15, 1834, he used this forcible language:

The ambition which leads me on is an anxious desire and a fixed determination to . . . persuade my countrymen, so far as I may, that it is not in a splendid Government supported by powerful monopolies and aristocratical establishments that they will find happiness or their liberties protected; but in a plain system, void of pomp, protecting all and granting favors to none, dispensing its blessings like the dews of heaven, unseen and unfeigned, save in the freshness and beauty they contribute to produce.

General Jackson also adds this great and undeniable truth:

It is such a Government that the genius of our people requires—such a one only under which our States may remain for ages to come united, prosperous, and free.

In his second annual message, December 7, 1842, President Tyler said:

Extravagant duties defeat their end and object.

President Polk, in his inaugural address, said:

Justice and sound policy forbid the Federal Government to foster one branch of industry to the detriment of another.

He also said:

The largest portion of our people are agriculturists; others are employed in manufactures, commerce, navigation, and the mechanic arts. To tax one branch of this home industry for the benefit of another would be unjust.

What was called the free-trade law of 1846 had been in operation for more than a year when President Polk transmitted to Congress his message of December 7, 1847, in which he used these words:

While the interests of agriculture, of commerce, and of navigation have been enlarged and invigorated, it is highly gratifying to observe that our manufactures are also in a prosperous condition. None of the ruinous effects upon this interest which were apprehended by some as the result of the operation of the revenue system established by the act of 1846 have been experienced. On the contrary, the number of manufactories and the amount of capital invested in them are steadily and rapidly increasing.

I desire to specially call attention to the fact that the effect of this so-called free-trade tariff of 1846 was to yield fair profits to manufacturers and augment the wages of labor employed in manufactures, agriculture, commerce, and navigation.

The language of Mr. Polk's message was as I will read:

While capital invested in manufactures is yielding adequate and fair profits under the new system, the wages of labor, whether employed in manufactures, agriculture, commerce, or navigation, have been augmented. The toiling millions whose daily labor furnishes the supply of food and raiment and all the other necessities and comforts of life are receiving higher wages and more steady and permanent employment than in any other country or at any previous period of our own history.

#### FREE TRADE AND FREE RAW MATERIAL MISCONSTRUED.

The expressions "free trade" and "free raw material" have received very contorted and extreme constructions.

Pronounced protectionists insist that their opponents are a free-trade party, and that they advocate the admission of all goods absolutely free from duty.

This is a misrepresentation. No platform or authoritative statement from the Democratic party has ever advocated any such legislation. What the Democratic party means by free trade is that the tariff laws shall be so constructed as to invite the greatest freedom of trade from the entire world.

We have always contended that the highest tariff should be levied upon luxuries and the smallest upon necessities.

The Democratic party has always sought to frame tariff and other laws so as to stimulate and build up all American industries.

The words "raw material" is another expression which has been subjected to most extreme constructions, and a few members of Congress who represent districts where wool is largely produced, and who have been lead to believe that a high tariff on raw wool would increase its price, have opposed the principle of raw material as a method of advocating high tariff upon that article.

A moment's reflection shows us that there is really no such thing as raw material. What is raw material to one man is a finished product to another.

Coal and iron ore are the finished product of the miner; pig iron, the finished product of the furnace; bar iron and steel, the finished product of the rolling mill.

Wool is the finished product of the farmer; yarn, of the spinner; cloth, of the weaver, and clothing, of the tailor.

#### WHY WOOL SHOULD BE FREE.

Those who advocate admitting wool free of duty do not base their argument upon the idea that wool is an absolutely raw material, but that the best interests of a very large majority of the people of the United States are best served by a very low or possibly no tariff at all upon raw wool.

Experience shows that, situated as our country now is, with our wonderful facilities for manufacturing, it ought to successfully compete with every nation on earth in the manufacture of woollen goods. But, as I have shown, it has always been contended that a high duty on raw wool places the American manufacturer at an almost fatal disadvantage as compared with manufacturers in those countries where wool is admitted free of duty.

#### TARIFF LAWS AND RATES FROM 1789 TO 1897.

Mr. Speaker, I will now present a table showing the dates of all tariff laws which affected wool since 1789, together with the dates that these laws went into effect; also the rate of duty, both specific and ad valorem.

Dates of tariff laws affecting wool and woolsens, and the dates on which they went into effect.

Year.	Date of act.	Went into effect—	Year.	Date of act.	Went into effect—
1789	July 4	Aug. 2, 1789	1842	Aug. 30	Aug. 30, 1842
1790	Aug. 10	Jan. 1, 1791	1846	July 30	Dec. 1, 1846
1792	May 2	July 1, 1792	1857	Mar. 3	July 1, 1857
1794	June 7	July 1, 1794	1861	Mar. 2	Apr. 2, 1861
1800	May 13	July 1, 1800	1862	July 4	Aug. 2, 1862
1804	Mar. 26	July 1, 1804	1864	June 30	July 1, 1864
1812	July 1	July 1, 1812	1867	Mar. 2	Mar. 2, 1867
1816	Apr. 27	July 1, 1816	1872	June 6	Aug. 1, 1872
1824	May 22	July 1, 1824	1875	Mar. 3	Mar. 3, 1875
1828	May 19	Sept. 2, 1828	1883	Oct. 1	Oct. 6, 1883
1832	July 14	Mar. 4, 1833	1890	Aug. 28	*Aug. 28, 1890
1833	Mar. 2	Jan. 1, 1834	1897	July 24	July 24, 1897

\*As to manufactured wool, in effect January 1, 1896; as to all other articles, August 28, 1894.

Rates of duty upon raw or unmanufactured wool from July 4, 1789, to July 24, 1897.

Act of—	Description.	Duty.
1789-1812	All raw wool.....	Free.
1816	do.....	15 per cent.
1824	Valued:	Do.
	At 10 cents or less per pound.....	20 per cent.
	Other, until June 1, 1825.....	25 per cent.
	From June 1, 1825, to June 1, 1826.....	30 per cent.
	After June 1, 1826.....	30 per cent.
1828	Unmanufactured:	
	Till June 30, 1829.....	4 cents per pound and 40 per cent.
	June 30, 1829, to June 30, 1830.....	4 cents per pound and 45 per cent.
	June 30, 1830, to June 30, 1831.....	4 cents per pound and 50 per cent.
1832	Valued:	Free.
	At not exceeding 5 cents per pound.....	4 cents per pound and 40 per cent.
	At exceeding 5 cents per pound.....	4 cents per pound and 40 per cent.
1833	This act provided for a gradual reduction as follows:	
	After Dec. 31, 1833, on all duties exceeding 20 per cent, one-tenth of the excess shall be deducted.	
	After Dec. 31, 1837, another tenth deducted.	
	After Dec. 31, 1839, another tenth deducted.	
	After Dec. 31, 1841, one-half of the residue of such excess shall be deducted.	
	After June 30, 1842, the other half thereof shall be deducted.	
1842	Valued:	
	At 7 cents or less per pound.....	5 per cent.
	All other.....	3 cents per pound and 30 per cent.
1846	All.....	30 per cent.
1857	Valued:	Free.
	At 30 cents or less per pound.....	24 per cent.
	All other.....	24 per cent.
1861	Valued:	
	At less than 18 cents per pound.....	5 per cent.
	Exceeding 18 cents and not exceeding 24 cents.....	3 cents per pound.
1864	Less than 12 cents.....	9 cents per pound.
	Exceeding 12 cents and not exceeding 24 cents.....	3 cents per pound.
	Exceeding 24 cents and not exceeding 32 cents per pound.....	6 cents per pound.
	Exceeding 32 cents per pound.....	10 cents per pound and 10 per cent.
1867	Class 1—Clothing wool:	
	Valued 32 cents or less per pound....	10 cents per pound and 11 per cent.
	Exceeding 32 cents.....	12 cents per pound and 10 per cent.
	Washed.....	Double duty.
	Scoured.....	Treble duty.
	Class 2—Combing wool:	
	Valued 32 cents or less per pound....	10 cents per pound and 11 per cent.
	Exceeding 32 cents.....	12 cents per pound and 10 per cent.
	Scoured.....	Treble duty.
	Class 3—Carpet wool:	
	Valued 12 cents or less per pound....	3 cents per pound.
	Over 12 cents.....	6 cents per pound.
	Scoured.....	Treble duty.
1873	Class 1—Clothing wool:	
	Valued 32 cents or less per pound....	9 cents per pound and 9.9 per cent.
	Exceeding 32 cents.....	10.8 cents per pound and 9 per cent.
	Washed.....	Double duty.
	Scoured.....	Treble duty.
	Class 2—Combing wool:	
	Valued 32 cents or less per pound....	9 cents per pound and 9.9 per cent.
	Exceeding 32 cents.....	10.8 cents per pound and 9 per cent.
	Scoured.....	Treble duty.
	Class 3—Carpet wool:	
	Valued 12 cents or less.....	2.7 cents per pound.
	Over 12 cents.....	5.4 cents per pound.
	Scoured.....	Treble duty.

Rates of duty upon raw or unmanufactured wool, etc.—Continued.

Act of—	Description.	Duty.
1875	Class 1—Clothing wool:	
	Valued 32 cents or less per pound....	10 cents per pound and 11 per cent.
	Exceeding 32 cents.....	12 cents per pound and 10 per cent.
	Washed.....	Double duty.
	Scoured.....	Treble duty.
	Class 2—Combing wool:	
	Valued 32 cents or less per pound....	10 cents per pound and 11 per cent.
	Exceeding 32 cents.....	12 cents per pound and 10 per cent.
	Scoured.....	Treble duty.
	Class 3—Carpet wool:	
	Valued 12 cents or less per pound....	3 cents per pound.
	Over 12 cents.....	6 cents per pound.
	Scoured.....	Treble duty.
1883	Class 1—Clothing wool:	
	Valued 30 cents or less per pound....	10 cents per pound.
	Over 30 cents.....	12 cents per pound.
	Washed.....	Double duty.
	Scoured.....	Treble duty.
	Class 2—Combing wool:	
	Valued 30 cents or less per pound....	10 cents per pound.
	Over 30 cents.....	12 cents per pound.
	Scoured.....	Treble duty.
	Class 3—Carpet wool:	
	Valued 12 cents or less per pound....	24 cents per pound.
	Over 12 cents.....	5 cents per pound.
	Scoured.....	Treble duty.
1890	Class 1:	
	Unwashed wool.....	11 cents per pound.
	Washed.....	Double duty.
	Scoured.....	Treble duty.
	Class 2:	
	Unwashed wool.....	12 cents per pound.
	Washed.....	Double duty.
	Scoured.....	Treble duty.
	Class 3:	
	Value 13 cents or less per pound....	32 per cent.
	If assorted.....	Double duty.
	Over 13 cents.....	50 per cent.
	If assorted.....	Double duty.
	Unwashed wools shall be considered such as shall have been shorn from the sheep without any cleansing; that is, in their natural condition. Washed wools shall be considered such as have been washed with water on the sheep's back. Wool washed in any other manner than on the sheep's back shall be considered as scoured wool.	
1894	All unmanufactured wool.....	Free.
1897	Class 1:	
	Unwashed wool.....	11 cents per pound.
	Washed.....	Double duty.
	Scoured.....	Treble duty.
	Class 2:	
	Unwashed wool.....	12 cents per pound.
	Washed.....	Double duty.
	Scoured.....	Treble duty.
	Class 3:	
	Valued at 12 cents or less per pound.	4 cents per pound.
	Over 12 cents.....	7 cents per pound.
	If imported in condition for carding or spinning, or containing not more than 8 per cent of foreign substance.	Treble duty.
	Wool on skin.....	1 cent per pound less.

#### AD VALOREM DUTY ON WOOL, 1816 TO 1897.

I have also prepared a table showing the ruling price of down fleeces in England at the date of each of the tariff laws; also the rate of duty and equivalent ad valorem, and also showing that the contention of the protectionists is not true that a low tariff increases the price of wool in England. It is as follows:

Table showing rates of duty under each of the tariff acts, the equivalent ad valorem, and the average price of wool in England up to 1867 under each of the acts.

	Average price English market.	Equivalent ad valorem duty on wool.
On page 1494 the English price is given for long wools of the mutton breeds from 1784 to 1894. We see that from 1789 to 1816, under free wool, the average price was 38.51 cents.	38.51	Free.
From 1816 to 1824 the tariff on all wool was 15 per cent.		
Instead of falling by our changing the tariff from free wool to a tariff of 15 per cent, wool in the English market rose from 36 cents in 1816 to 48 cents in 1817, and 60 cents in 1818, and the average price in England during that period was 39.33 cents.	39.33	15
From 1824 to July 1, 1829 (the act of 1828 did not go into effect until July 1 and September 2, 1829), the tariff on wool averaged about 22 per cent, the cheaper wools being only 15 per cent. Under this law, which was called a very moderate tariff, the price of wool in England fell from 28 cents in 1824 to 13 cents in 1829.	13	23
In 1829 the tariff was increased to 4 cents per pound and 45 per cent ad valorem, and from June 30, 1830, to June 30, 1831, to 4 cents per pound and 50 per cent ad valorem.	13	75.7



Table showing rates of duty under each of the tariff acts, etc.—Continued.

	Average price English market.	Equivalent ad valorem duty on wool.
The value of English wool under this enormous increase of tariff, so far from falling in value, increased in value from 13 cents in 1829 to 19 cents in 1830 and to 27 cents in 1831.		
In 1830 the English price was 19 cents and the tariff was 4 cents per pound and 45 per cent, making the equivalent ad valorem 66 per cent.	Cents. 19	66
In 1831 the English price was 27 cents and the tariff was 4 cents per pound and 50 per cent, making the equivalent ad valorem 64.81 per cent.	27	64.81
On March 4, 1832, the act of 1832 went into effect, fixing the tariff on wools exceeding 8 cents per pound at 4 cents and 40 per cent.		
The price of wool is given at 34 cents, and assuming that all imported wool was worth over 8 cents, the equivalent ad valorem is 51.17 per cent.	34	51.17
In 1834 the value was 37 cents, and as one-tenth was deducted, the equivalent ad valorem would have been 44.72 per cent.	37	44.72
In 1838 the value was 32 cents, and as two-tenths were deducted, the equivalent ad valorem would be 42 per cent.	32	42
In 1841 the value was 22 cents, and as one-half the remaining excess above 20 per cent was deducted, the equivalent ad valorem would be 31 per cent.	22	31
On August 30, 1842, all wool valued above 7 cents was 3 cents per pound and 30 per cent ad valorem. English wool was then 20½ cents per pound, and the equivalent ad valorem was 44.63 per cent.	20.5	44.63
Under this high tariff English wool rose from 20½ cents in 1842 to 27½ cents in 1845.		
From 1846 to 1857 the duty was 30 per cent ad valorem and the average value of English wool was 28 cents.	28	30
From 1857 to 1861 wool, except that valued at 20 cents or less, was 24 per cent, but as wool was quoted in England at from 20½ to 30 cents, and averaged 34 cents during that period, we must assume the duty at 24 per cent.	34	24
From 1861 to 1864 the average value was 30½ cents, and the duty on wool exceeding 24 cents in value was 9 cents, making the ad valorem 23.5.	30.25	23.5
From 1864 to 1867 the average value of wool was 39½ cents, and the average ad valorem duty was 35.6 per cent.	39.5	35.6

In order to show clearly the equivalent ad valorem duty on wool from 1867 to 1894, inclusive, I have prepared tables from the statistics of the Treasury Department which show the actual ad valorem based upon the actual imports in pounds and the actual amount of duty paid.

It will be seen that the tariff upon the different grades of wool varies, running as high as 100.60 per cent under the act of 1883, and one grade of wool under the act of 1890 was taxed 273.14 per cent.

I call especial attention to the fact that the third column which contains the clothing wools were taxed on an average very nearly 100 per cent.

Tables giving average ad valorem duty on unmanufactured or raw wools from 1867 to 1894, inclusive, as calculated upon actual imports in pounds and actual amounts of duty received, as shown by the records of the Treasury Department.

## ACT OF 1863.

Year.	Class 1—Clothing wools.				Class 2—Combining wools.		Class 3—Carpet and other similar wools.	
	Value 22 cents or less per pound.	Value over 22 cents per pound.	Scoured, value 22 cents or less per pound (before being scoured).	Washed.	Value 22 cents or less per pound.	Value over 22 cents per pound.	Value 12 cents or less per pound.	Value over 12 cents per pound.
1867	48.88	41.73			57.22		39.12	34.35
1868	64.80		* 64.08				40.75	31.25
1869	62.03						44.78	32.24
1870							44.78	32.24
1871	63.34	42.04	115.24	88.30	67.50	42.56	39.45	32.74
1872	55.07	40.01	* 124.38	94.76	71.60	84.96	42.73	34.35
1873	51.24	29.37	* 63.70	57.07	59.11	55.63	72.62	32.33
1874	41.32	33.20	100.00	54.78	56.14	51.01	81.30	32.41
1875	50.08	39.01		55.51	44.37	42	36.21	31.63
1876	53.88	42.63	76.77	61.89	68	45.14	42.77	37.72
1877	53.48	37.35	* 90.85	62.00	65.31	24.62	43.74	31.17
1878	53.17	41.76	98.01	67.00	50.03	43.79	43.96	30.86
1879	58.41	40.38	74.38	58.58	62.86	53.60	40.24	33.06
1880	55.12	42.10	79.80	65.34	63.14	48.32	47.10	27.51
1881	55.39	41.61	64.92	67.00	76.40	46.24	43.15	30.45
1882	55.74	39.18	65.42	65.96	63.70	47.08	42.33	31.32
1883	56.39	36.57	* 103.98	65.33	46.40	62.56	36.91	32.61

\* Value over 22 cents before scouring.

† Scoured.

Tables giving average ad valorem duty, etc.—Continued.

## M'KINLEY ACT OF 1890.

Year.	Class 1.			Class 2.		
	Unwashed.	Washed.	Scoured.	Unscoured.	Sorted.	Scoured.
1891	50.37	61.90	69.06	51.81	34.02	31.35
1892	55.00	36.00	65.52	53.21	37.76	24.50
1893	50.63	48.86	66.60	56.23	91.69	43.00
1894	50.81	108.24		50.84	73.64	273.14

The duty on class 3 valued at 13 cents or less was 32 per cent; if assorted, 64 per cent.

Class 3 valued at over 13 cents, 50 per cent; if assorted, 100 per cent.

By again referring to the table of prices of wool in England we see that immediately following the passage of the act of 1867 the price of wool in that country was 31½ cents, and that under this high-tariff act the price of English wool did not decline, but that the general tendency was to rise.

In 1871 it was 35½ cents; in 1872 it was 43 cents; in 1873 it was 37 cents; and in 1875 it was 36½ cents. There was no material change in the specific rates from 1867 to 1894, and this table shows that under the high tariff the price of wool maintained itself in England better than almost any other commodity, the lowest price being 20½ cents, and the average from 1867 to 1895 being 27½ cents.

Wool shrinkage is such that it takes about 4 pounds of raw wool to make 1 pound of finished product, therefore making the duty upon 1 pound of woolen goods 44 to 48 cents.

We have 4 per cent of the world's population, and the rest of the world includes 96 per cent. For our woolen factories to become prosperous they must secure a share of this 96 per cent as purchasers of woolen goods. France, England, and Germany get their wool free of duty. If our manufacturers pay 44 to 48 cents a pound duty upon all the wool in their manufactured product, they can not compete successfully with foreign factories.

Even admitting that a prohibitory tariff on manufactured wools would give them the American market, it will only embrace 4 per cent of the population of the world; but it is certain they could not compete with English, German, and French factories in the foreign markets, which would embrace 96 per cent of the population of the world.

The distinguished chairman of the Committee on Ways and Means [Mr. DINGLEY], who has just finished his speech, admitted the truth and force of this principle. He said:

The duty of 20 per cent on imported cotton, as proposed by the Senate, has been receded from by the Senate conferees, leaving cotton upon the free list. A careful investigation by the conferees made it clear that a duty upon cotton would be simply a duty upon Egyptian cotton, and would merely obstruct our cotton-manufacturing interests.

He then makes this important statement:

If a duty should be placed on this cotton, the effect would be to transfer abroad the manufacture of goods made from Egyptian cotton without benefiting anyone.

He also said:

It was not believed that a duty upon Egyptian cotton could be of any possible benefit to anyone.

Senator CHILTON, page 1908 of the RECORD, in opposing a tax upon raw cotton, said:

You can not raise the price of an article by tariff when you raise more of it than your home consumption.

The only result, as I say, would be to burden the consumer. If you place such a burden on manufacturers as to drive the industry over to England, then you rather hurt the price of your domestic cotton.

I also read from the RECORD, page 1910:

Mr. BERRY. I wish to ask the Senator if he believes the tax proposed by him will increase the price of American cotton throughout the United States? Mr. BACOS. I will state to the Senator that I think it will have very little or no effect upon the general class of cotton.

We see that it was positively asserted, and not questioned, that a tariff duty on cotton would not benefit cotton producers or any one else, and that its effect would be to obstruct cotton manufacturing and drive the industry of cotton manufacturing over to England and hurt the price of domestic cotton.

I have clearly shown that good results followed the removal of tariff taxes from raw cotton in 1846, and all who have considered the subject realize the evil which would follow its restoration.

Now, this principle which controls in the cotton industry applies with almost equal force to wool. It is true that we do not raise more wool than we consume, but in other respects the principle fully applies.

## WHY REPUBLICANS PUT TARIFF ON RAW WOOL.

The reason why the Republican party insist upon a duty on wool is easily understood.

Sheep raising is carried on in every State in the Union, and the vote of those engaged in that industry is sufficient to determine the election. The Republican party therefore devote themselves to convincing the sheep raisers that a high duty on wool will be to their benefit, and then in every platform they promise the sheep raisers a high duty on that article.

Notwithstanding the millions upon millions spent upon the election of McKinley, it is clear he would not have been elected had it not been for the sheep raisers' vote.

I read the following from the Wool Growers' Association, which is found in the hearings before the Committee on Ways and Means, page 1495:

Whereas the convention that nominated William McKinley as a candidate for the Presidency of the United States embodied in the platform of principles then declared the following promise, viz:

"To wool, the product of the great industry of sheep husbandry, as well as to the finished woolsens of the mills, we promise most ample protection."

And whereas that promise was accepted in good faith by more than one million of husbandmen and farmers that are now engaged in sheep husbandry and woolgrowing in the United States, or that would gladly engage therein, with proper governmental protection, and without whose votes McKinley could not have been elected: Therefore,

Resolved, That as American citizens engaged in that "great industry," we demand that that pledge shall be sacredly kept, and that in framing any law on the subject of protection by customs duties that shall be enacted that it shall be so framed as to afford protection to woolgrowers equal in all respects to that afforded to the most favored industries of the country.

This shows that the sheep raisers assert that their vote was necessary to the election of McKinley, and they further state that they voted for McKinley on the promise in the Republican platform that a high duty would be placed upon wool.

#### WHY REPUBLICANS MADE RAW COTTON FREE.

Now, while it is very evident that a tariff tax on cotton would not benefit anybody in the United States, but would most likely result in serious injury to us, yet the Republicans would readily put a tariff duty upon it if by so doing they could get votes in the Southern States and thus add to the strength of the Republican party.

They put an exorbitant duty upon sugar and wool, and one Democratic Senator and five Democratic Congressmen from Louisiana and Texas voted with the Republicans for this oppressive bill; and after these votes were given, the conference committee met and acted upon the bill, and of course they retained the high duty upon these articles.

Again, when the Senate was considering the bill, the solid Republican party voted, with three Southern Democratic Senators, for a duty of 20 per cent on raw cotton, but after this, when the bill was passed by the Senate, all three of these Democratic Senators voted against it.

Of course the Republican majority of the conference committee saw that the duty on raw cotton did not secure Democratic votes, and they struck the duty off and made cotton free; and as a further exhibition of sectional feeling, they put a duty on cotton bagging, iron ties, and paris green, all of which articles have heretofore been free of duty, and all of which articles are purchased and used by Southern planters.

The reason for this was that the New England mills wanted to import cotton free, and the Northern manufacturers of cotton bagging, iron ties, and paris green wanted a tariff duty on these articles so as to enable them to charge the Southern people an increased price.

The conference committee also put manganese, a Southern production, on the free list. This was done at the demand of Mr. Carnegie, who imports this article from Spain.

It is also contended that as it takes about an equal amount of foreign and American wool to manufacture the kinds of cloth which are demanded by the world at large, therefore every pound of wool imported creates a demand for American wool, and this of course tends to increase both the price and demand for wool grown in America.

#### IMPORTED WOOL INCREASES DEMAND FOR AMERICAN WOOL.

In the bulletin of the National Association of Woolgrowers for the quarter ending September, 1891, is an editorial which says, page 237:

The foreign wools imported do not represent an equal number of pounds of domestic wools displaced, but increase the market for domestic wool.

This has been insisted upon for half a century, and was reiterated by the most distinguished wool experts at the recent hearings before the Ways and Means Committee.

I read from the statement of Mr. S. N. D. North, secretary of the National Wool Manufacturers' Association (Tariff Hearings, 1897, page 1652):

Mr. WHEELER. It has been stated here that foreign wool is not essential to the American wool manufacturers.

Mr. NORTH. I do not think any manufacturer made that statement, and he is the only man who can know.

Mr. WHEELER. You are quite certain that your statement is correct. You even go so far as to state that foreign wool has not displaced any American wool, but rather increased the demand for American wool. You are quite certain about that?

Mr. NORTH. I am.

I also read from the statement of Mr. John G. Clark, representing the Woolgrowers' Association (Tariff Hearings, pages 1344 and 1345):

Mr. WHEELER. How do you account for the fact that in the tariff of 1846 and 1867 New England was substantially for free wool? The Maine Representatives all voted for it, I believe, except one.

Mr. CLARK. Well, I suppose it was under the influence of manufacturers, perhaps.

Mr. WHEELER. Is it not true in manufacturing that it is absolutely necessary to have foreign wool to mix with the American wool?

Mr. CLARK. The American wool is grown just as fine as the Australian wool, or any other wool.

This was not an answer to my question. Even if it were true that some wool is grown in America as fine as any other wool, it would not controvert the fact that our manufacturers need foreign wool to mix with American wool. I continue to read, page 1345:

Mr. TAWNEY (a Republican member of the committee). Are you a manufacturer?

Mr. CLARK. I am a sheep grower and farmer, and live on my farm.

Mr. WHEELER. Is it true now that we do not raise the wool of the character which answers all the purposes of the manufacturer?

Mr. CLARK. I might answer in this way.

Mr. Clark then went on talking about the war and taking great pains not to answer the question; but in the course of his remarks he did admit that the character of American wool now is of a coarser type than it was thirty years ago. Later on Mr. TAWNEY used an expression which explained this. He said on same page that American wool—

is as fine as a great many samples of Australian wool I have seen. I have never seen it in bulk, but have seen specimens.

This statement of Mr. Clark shows that he was not well informed about the relative qualities of American and foreign wool.

#### REPUBLICANS PERPLEXED AND EMBARRASSED.

I will now turn back a page and read some additional statements of Mr. Clark's upon this question of the necessity of our manufacturers having foreign wool, pages 1343 and 1344:

Mr. GROSVENOR. What is the entire product now, say for 1896, of wool in the United States?

Mr. CLARK. Well, I am not much of a statistician.

Mr. LAWRENCE. Two hundred and seventy million pounds.

Mr. GROSVENOR. Assuming, now, that it is 270,000,000 pounds, how much of it do we consume?

Mr. LAWRENCE. We consume in all 630,000,000 pounds.

Mr. GROSVENOR. That would leave 360,000,000 pounds we imported. What length of time, in your judgment, would be a satisfactory time required in order to put the country in a condition to produce that amount of wool?

Mr. CLARK. There are others here who can answer that question better than I can.

Mr. LAWRENCE. Four years.

Mr. GROSVENOR. Assuming that it will take four years, what proposition do you intend to offer between now and four years hence in regard to the supply of wool?

Mr. CLARK. I do not know that I understand your question.

Mr. GROSVENOR. Assuming that we put a tariff now that would be practically or largely prohibitory, and we require 360,000,000 pounds of imported wool in 1897, and that it would take four years to put the country, in the matter of flocks, in a condition to produce the wool necessary for the country's use, what do you propose for the time between now and then?

Mr. CLARK. Well, I could not make any definite answer in regard to time.

Mr. GROSVENOR. Well, the higher the tariff—assuming that it would become what would be called a high tariff—the less certainty of stability, would there not?

Mr. CLARK. Well, I do not know as to that; the highest tariff we ever had continued much the longest. I believe the tariff of 1867 was as high as the tariff of 1842, but I think the history will back me up in it; the tariff of 1842 was quite a high wool tariff and gave great impetus to the business for two or three years.

I will now ask the witness to pause while I remind the House and the country that Mr. Congressman GROSVENOR, who asks the question, and Mr. Lawrence and Mr. Clark, who were there as witnesses, are all extreme high-tariff Republicans.

The record shows that Mr. Clark was unable to help Mr. GROSVENOR out of the dilemma in which he had become involved, and Judge Lawrence, who had been ever ready with answers, was dumb as an oyster when these knockdown queries were propounded.

At that solemn moment the committee room was filled to overflowing with the leaders of wool protectionists, and in this critical exigency not one dared open his mouth. Even the eleven Republican apostles of protection who composed the Republican wing of the Committee on Ways and Means were not able to come to the rescue, and Mr. Clark, who had the floor, changed the subject, and commenced expressing his views upon the tariff laws of 1842 and 1847.

I wish, however, to call especial attention to the fact that Mr. Clark said:

The tariff of 1842 was quite a high wool tariff and gave great impetus to the business for two or three years.

#### MAINE AND NEW HAMPSHIRE CONGRESSMEN VOTE FOR A FREE WOOL TARIFF.

Now, the tariff rate in the act of August 30, 1842, was 5 per cent ad valorem on cheap wools, and this tariff on cheap wools Mr. Clark says was then regarded as a high tariff and gave great impetus to business, and yet he is now advocating a tariff on wool which runs from 100 to 200 per cent. The highest tariff on any wool under the act of August 30, 1842, was 3 cents a pound and 30 per cent ad valorem.

Now, Mr. Lawrence tells us (page 1494 of the hearings) that the English price of down fleece in 1842 was 204 cents. It will therefore be seen that under the act of 1842 the tariff on wool



ranged from 5 per cent ad valorem to 44 per cent ad valorem, the average being about 25 per cent ad valorem.

The graduation clause of the act of July 14, 1832, provided that after June 30, 1842, the duty on wool should be 20 per cent. Under the act of 1846 it was 30 per cent, and under the act of 1857 all wool valued at over 20 cents per pound was 24 per cent, and all other wool was free.

I give below the vote of the New England States upon these acts:

Table showing the votes of the New England States in the House of Representatives on the passage of the acts of July 14, 1832, July 30, 1846, and March 3, 1857.

State.	July 14, 1832.		July 30, 1846.		March 3, 1857.	
	Yea.	Nay.	Yea.	Nay.	Yea.	Nay.
Maine	6	1	5	1	6	1
New Hampshire	5		3	1	2	1
Vermont		3		2		3
Massachusetts	4	8		9	9	
Connecticut	2	3	1	4		4
Rhode Island		2		2	1	1

The significance of these votes will be appreciated when we remember that the tariff acts of 1846 and 1857 have during late years been denounced by Representatives from these States as free-trade laws.

The law of 1846 was so designated by Mr. Blaine. In his Twenty Years in Congress, page 65, he referred to it in these words:

The enactment of the tariff of 1846, which offended the manufacturing interests of the country.

And on page 195 he says:

The free-trade tariff of 1846 was passed.

Mr. Blaine admits that the law of 1846 was beneficial to the business of the country; and on page 196 after stating that in 1850, after Taylor's Administration went into power, there was no desire to change the tariff, he goes on and says:

Moreover, the tariff of 1846 was yielding abundant revenue, and the business of the country was in a flourishing condition at the time his Administration was organized. Money became very abundant after the year 1849; large enterprises were undertaken, speculation was prevalent, and for a considerable period the prosperity of the country was general and apparently genuine. After 1852 the Democrats had almost undisputed control of the Government, and had gradually become a free-trade party. The principles embodied in the tariff of 1846 seemed for the time to be so entirely vindicated and approved that resistance to it ceased not only among the people but among the protective economists, and even among the manufacturers to a large extent. So general was this acquiescence that in 1856 a protective tariff was not suggested or even hinted by any one of the three parties which presented Presidential candidates.

I beg to call special attention to Mr. Blaine's assertion that the principles embodied in the tariff of 1846 were approved not only among the people, but among the protective economists and manufacturers. Mr. Blaine then proceeds:

It is not surprising, therefore, that . . . the Democratic Congress, in the closing session of Pierce's Administration, exacted what has since been known as the tariff of 1857. By this law the duties were placed lower than they had been at any time since the war of 1812. The act was well received by the people, and was indeed concurred in by a considerable proportion of the Republican party.

#### REPUBLICANS DEMAND UNCONSTITUTIONAL LEGISLATION.

I will now read from Tariff Hearings, page 1371:

Mr. WHEELER. This is the 9-cent wool that you propose to put the 24-cent duty on?

Mr. LAWRENCE. That is the wool we are competing with.

Mr. WHEELER. And you ask 24 cents per pound duty?

Mr. LAWRENCE. We ask 12 cents a pound duty on unwashed, double on washed, and triple on scoured; and inasmuch as the Australian merino as now imported unwashed is better than any other washed wool in the world, it should be classed as washed wool.

Mr. WHEELER. Therefore the 9-cent wool would be classed as the wool upon which you would impose a duty of 24 cents?

Mr. LAWRENCE. We want a duty of 24 cents on unwashed Australian merino wool, as now imported, which is better than any other washed wool in the world.

It will thus be seen that Judge Lawrence was demanding a duty on wool of 266 per cent.

This, of course, would be prohibitory; but we see that Mr. Lawrence unblushingly admits that it is protection, not revenue, that he is after. On page 1399 he says:

I repeat from the published answer of the honorable chairman of the committee: "It is protection we are after."

The last six words Judge Lawrence insisted should be quoted and printed in very large type.

On page 1418, in speaking of foreign wools, Judge Lawrence says:

They should be prohibited, as they ought to be.

Mr. TURNER. And you propose it to be prohibited?

Mr. LAWRENCE. Only when we are able to supply our wants.

Mr. WHEELER. And finally we will get none [no revenue]?

Mr. LAWRENCE. And finally we will get no revenue.

This shows the extreme and undemocratic and unconstitutional demands of Judge Lawrence and those whom he represents.

This reminds me of a speech that I heard in this Hall in the Forty-seventh Congress, in 1882, by Hon. William A. Russell, of Lawrence, Mass.

Mr. Russell was a member of the Committee on Ways and Means and was demanding a prohibitory tariff upon woolen goods.

Mr. Russell said:

There is no protection in a strictly revenue tariff—that is, to an American manufacturer; for if a revenue is to be derived from an imported article it must be imported, which certainly involves its manufacture elsewhere, and the rate of duty must be so fixed as to invite its importation. Therefore a tariff can not be adjusted on a single article to serve the double purpose of revenue and protection. It must be either at a point to check importation and thus protect, or it must be at a point low enough to admit importation and thus produce a revenue. That is, when fixed at a revenue point it ceases to protect, and when fixed at a protective point it ceases to yield a revenue.

Mr. FLEMING. From whose speech is the gentleman reading?

Mr. WHEELER of Alabama. From the speech of Mr. Russell of Massachusetts. Again, Mr. Speaker, only last month the distinguished leader of the Republican protective hosts in the other Chamber, in a speech upon the pending bill, used this language:

The legitimate result of a protective policy is to give the American market to American producers. When this becomes an accomplished fact, the revenue growing out of protective duties disappears. It must be evident, therefore, that we must look for other sources of revenue.

The principle enunciated by Mr. Russell in 1882 and reiterated by Judge Lawrence in the Committee on Ways and Means this year, and recently so boldly proclaimed by the distinguished Senator from Rhode Island, involves the question of the right of Congress to enact laws under the guise of tax laws for purposes other than to collect revenue, and I regret to say that the affirmative of this question is boldly insisted upon by many of the opponents of the Democratic party.

This is done in the face of two decisions by the Supreme Court of the United States, both of which hold that laws of that character are unconstitutional and void. I will cite one opinion by Justice Miller, who at that time was one of the oldest and ablest justices on the bench. I read from 20 Wallace, page 664, *Loan Association vs. Topeka*:

To lay with one hand the power of the Government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprises and to build up private fortunes, is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree under legislative forms.

This principle of law governing the taxing power was reaffirmed in *Parkersburg vs. Brown* (106 U.S., page 487). The opinion was delivered by Justice Blatchford, another distinguished jurist, who cited and approved the *Topeka* case.

The Hon. William A. Russell represented a district largely engaged in wool manufactures, and in his speech dwelt largely, almost entirely, on wool and its great need of protection.

#### TEXAS OPPOSED TO PROTECTION.

A great effort has been made to build up what is called a sentiment in favor of protection in the State of Texas, and to carry out this purpose the advocates of the theory of protection endeavor to convince the chivalrous and noble people of that State that a high tariff on wool would be to their benefit, and that they ought, like the people of the sugar districts of Louisiana, to join the Northeast in voting for protection.

To show that there is no ground for this, it is only necessary to make an intelligent examination of the evidence which these gentlemen have placed before the Committee on Ways and Means to sustain their position. I insist that so far from substantiating their claim that Texas is benefited by protection, the facts they presented prove exactly the reverse.

The price of wool per pound is furnished by Messrs. T. C. Frost & Co., Hill & Palmer, and Half & Bro., of San Antonio, Tex. The number of sheep and valuation per head are from official reports of the comptroller of the State of Texas, and the other columns are taken from Government statistics. These figures are in the hearings of the Ways and Means Committee by Judge Lawrence, and are found on page 1425.

It is headed:

How sheep declined in number in Texas under the inadequate protection of the wool tariff in the act of October 1, 1890—Texas sheep and wool statistics.

I give the table precisely as it appears in Judge Lawrence's remarks, page 1425 of the hearings.

It is especially arranged by the advocates of protection on wool to make the best showing possible to sustain their theory. They only include figures that are favorable to them, carefully omitting all others.

Now, if we show by the evidence of these high-protection witnesses that a high tariff on wool is destructive to the wool interest in America, and that a low tariff or free wool is beneficial to our wool interests, our argument ought certainly to be accepted as conclusive.

In submitting this table, presented by protectionists, upon the Texas wool industry, I will call attention to the fact that out of all the States in the Union these protectionists have selected the

wool statistics of the State of Texas as the statistics most favorable to their theory of a high protection on wool.  
The table is as follows:

HOW SHEEP DECLINED IN NUMBER IN TEXAS UNDER THE INADEQUATE PROTECTION OF THE WOOL TARIFF IN THE ACT OF OCTOBER 1, 1890.

Texas sheep and wool statistics.

STOCK.

[From official reports of comptroller of State of Texas.]

Year.	Number of sheep.	Valuation.	Average per head.	Increase in number.	Decrease in number.	Increase in valuation.	Decrease in valuation.
1870	924,749	\$992,316	\$1.07				
1875	1,706,044	1,939,740	1.13	781,295		\$947,424	
1880	2,977,618	4,282,530	1.43	1,271,574		2,342,790	
1881	3,282,107	5,001,619	1.53	284,489		719,089	
1882	3,771,242	7,031,789	1.86	509,135		2,630,170	
1883	4,491,600	9,228,234	2.05	720,358		2,190,445	
1884	4,691,006	9,291,800	1.98	199,408		63,656	
1885	4,749,625	6,224,076	1.31	58,617			\$3,067,814
1886	4,543,765	5,282,814	1.16		206,800		941,282
1887	4,275,894	5,016,674	1.17		268,371		266,140
1888	4,316,513	4,630,463	1.07	41,119			380,211
1889	4,280,111	5,032,293	1.17		36,402	395,830	
1890	4,281,812	5,454,810	1.27	1,701		422,517	
1891	4,070,225	5,639,705	1.38			184,895	
1892	3,564,469	4,854,384	1.36				785,321
1893	3,366,257	4,776,848	1.43				77,536
1894	2,859,289	2,761,727	.97				2,015,121
1895	2,386,822	2,442,162	1.02			472,447	319,565

WOOL.

[Price of wool per pound averaged from statistics furnished by Messrs. T. C. Frost & Co., Hill & Palmer, and Hall & Bro., of San Antonio, Tex.]

Year.	Import rate.	Average price per pound.	Average weight of fleece.	Aggregate clip.	Value of clip.	Increase in clip.	Decrease in clip.	Increase in value of clip.	Decrease in value of clip.
			Pounds.	Pounds.		Pounds.	Pounds.		
1870	10 cents special and 11 per ct. ad valorem.		54	5,086,119					
1875			54	9,383,242		4,297,123			
1880			54	17,121,308		7,738,061			
1881			54	18,757,114		1,635,811			
1882			54	21,684,041		2,927,427			
1883	10 cents.	17.93	54	25,826,700	\$4,630,727	4,142,059			
1884	do	13.12	54	26,973,296	3,438,800	1,140,506			\$1,091,831
1885	do	16.27	54	27,310,343	4,443,392	337,047		\$904,496	
1886	do	18.15	54	29,534,472	5,300,506	2,224,129		917,114	
1887	do	15.97		27,790,061	4,438,072		1,744,411		922,434
1888	do	16.20		28,067,334	4,545,278	267,273		107,216	
1889	do	18.40		27,820,721	5,119,012		236,613	573,724	
1890	11 cents.	18.21		27,831,778	5,068,166	11,057			50,846
1891	do	17	7	28,491,575	4,843,567	659,797			224,599
1892	do	15.72		24,951,283	3,922,341		3,540,202		921,226
1893	do	9.82		23,563,799	2,223,965		1,387,484		1,608,376
1894	Free	7.44		20,014,883	1,489,107		3,548,916		734,858
1895	do	7.89		16,707,754	1,318,241		3,307,129		170,866

It is true that from 1870 to 1883 the tariff on the higher grades of wool was about as stated in the table, and if scoured, the duty was three times the above rate; but under these high rates the New York Price Current tells us the price of fine washed wool fell from 70 cents in 1872 to 40 cents in 1883, and from the census reports I learn that the number of sheep in the States east of the Mississippi and Missouri rivers fell from 23,397,917 in the census year of 1870 to 21,712,700 in the census year of 1880.

This certainly shows that a high tariff not only did not benefit the sheep and wool industry, but that it was an injury to it.

Now, comparing Mr. Lawrence's figures of the price of wool as quoted in the New York market from 1883 to 1893 with the average price of Texas wool during the same period, we find that he puts the average price of Texas wool at about one-third to one-half the average price of medium American wool as quoted in the New York markets.

WOOL INDUSTRY VERY PROSPEROUS UNDER A LOW TARIFF.

Originally the great bulk of Texas sheep were the common Mexican sheep, but for many years finer qualities have been carried to that State and some of the wool now raised in Texas is equal in quality and value to the best wool produced in the world.

Now, if the figures given by Mr. Lawrence as to the average price of Texas wool, and which he states were furnished by three principal wool merchants of Texas, are correct, we must assume it to be true that a great bulk of Texas wool is of a cheap character, and similar to the wool which was imported at that time under what was known as class 3, valued at less than 12 cents per pound.

The tariff on this character of wool was 3 cents a pound up to August 1, 1872; it was 2.7 cents per pound from the date to March 3, 1875, and it was 3 cents per pound from March 3, 1875, to July 1, 1883. We therefore see that under this very low tariff the number of sheep in Texas increased fivefold, their value increased ten-

fold, their average per head doubled, and the average clip or product increased fivefold.

In order to make this statement clear, I have prepared a table from Mr. Lawrence's figures, showing the condition of the wool industry in Texas during the period when cheap wools enjoyed the benefit of the low tariff of 2.7 cents to 3 cents per pound. It is as follows:

Table showing tariff rate, number of sheep, aggregate valuation and average value per head, and aggregate clip in Texas from 1870 to 1893:

Year.	Import rate of wool, class 3, valued at 12 cents or less.	Number of sheep.	Aggregate valuation.	Average valuation per head.	Aggregate clip.
1870	2 1/2 cents to 3 cents per pound.	924,749	\$992,316	\$1.07	5,086,119
1875	do	1,706,044	1,939,740	1.13	9,383,242
1880	do	2,977,618	4,282,530	1.43	17,121,308
1881	do	3,282,107	5,001,619	1.53	18,757,114
1882	do	3,771,242	7,031,789	1.86	21,684,041
1883	do	4,491,600	9,228,234	2.05	25,826,700

By referring to Mr. Lawrence's table (Tariff Hearings, page 1425), we see that from 1883 to 1890 there was not a great deal of change in the wool and sheep industry in Texas, but immediately after the passage of the McKinley bill in 1890, the decline in this industry commenced.

WOOL INDUSTRY DESTROYED BY MCKINLEY HIGH TARIFF ON WOOL.

The McKinley bill, which went into effect October 6, 1890, fixed the tariff on the commonest and cheapest wool at 32 per cent ad valorem, and the clause provided that wool of class 3, valued at over 13 cents per pound, should pay a tariff tax of 50 per cent ad valorem, and if assorted the tax was to be double these figures.

This was an enormous increase upon the cheap character of



wools, and we see from Mr. Lawrence's table that from that moment the wool industry in Texas was seriously injured. The price, the number of sheep, their value, and the aggregate clip fell to about one-half during the four years of the existence of the McKinley law, with its high tariff rates upon wool.

I have prepared a table from Mr. Lawrence's figures illustrating this terrible decline.

I have also added the same statistics for the year 1895, under the Wilson law, during which wool was absolutely free from duty. The table is as follows:

Table showing tariff rate, number of sheep, aggregate valuation, average value per head, aggregate clip, value of clip, and average price per pound in Texas, from the year 1890 to 1894, under the McKinley bill, and 1895, first year under the Wilson bill.

Year.	Import rate of wool, class 3.		Number of sheep.	Valuation.	Average per head.	Aggregate clip.	Value of clip.	Average price per pound.
	Value not more than 18 cents.	Value more than 18 cents.						
1890	32 per cent.	50 per cent.	4,281,812	\$5,454,810	\$1.27	Pounds. 27,831,778	\$5,068,166	Cents. 18.21
1891	do	do	4,070,225	5,639,705	1.33	28,481,575	4,843,567	17
1892	do	do	3,504,469	4,854,394	1.36	24,951,283	3,922,341	15.73
1893	do	do	3,006,257	4,776,848	1.42	23,563,799	2,223,965	9.83
1894	do	do	2,809,239	2,701,727	.97	20,014,883	1,489,107	7.44
1895	Free	Free	2,389,823	2,442,103	1.03	16,707,794	1,318,241	7.89

The Wilson law, which made raw or unmanufactured wool free and reduced the tariff on all woolen goods, went into operation August 28, 1894, but the tariff on manufactured woolen goods did not go into operation until January 1, 1895.

#### MCKINLEY HIGH TARIFF DESTROYED WOOL INDUSTRY IN TEXAS.

It will be seen that during the years 1891, 1892, 1893, and 1894, while the McKinley high-tariff law was in operation the wool industry in Texas was nearly destroyed, and it also shows that after wool became free under the Wilson bill, the average price per pound of wool and the average value per head increased.

The noble, brave, and intelligent woolgrowers of Texas fully appreciate this question. They look back to the prosperous times from 1870 to 1883, when we had a low tariff upon cheap wool, and they have been deeply impressed with the disaster and ruin which has overtaken the wool industry under the high tariff on cheap wools imposed by the McKinley law. Only a moment ago my eye fell upon a letter from the Texas woolgrowers, protesting against a high tariff on wool and demanding a reduction. The letter is addressed to Hon. JAMES L. SLAYDEN, who spoke upon the tariff bill March 30. The writer is Mr. James McLymont, and, incorporating the letter in his speech, Mr. SLAYDEN says:

I will incorporate in my remarks a letter received from one of the largest flock masters in Texas:

I will read some extracts from this intelligent gentleman, who, Mr. SLAYDEN says, is one of the largest sheep owners of Texas:

I saw a letter from Judge Lawrence, president of the National Wool Growers' Association. I beg to disagree with Judge Lawrence. I think that 8 cents per pound would be ample. I have talked with a great many of the woolgrowers, and have heard none wish for more than 8 cents, and a great many would be satisfied with 6 cents.

I think, Mr. Speaker, taking these tables and other information, it is clearly shown that the great minds of our country, who for more than half a century have given the subject careful study, are correct in their view that a high tariff is injurious to the woolgrowers and every other wool industry in this country.

#### MILLIONS JEOPARDIZED BY PROTECTION.

But there is another view that the Texas people take of this case.

Their cotton crop for 1870 was 350,628 bales; in 1880 it was 1,101,746 bales; in 1890 it was 1,471,242 bales, and in 1895 it reached 3,276,000 bales.

The value of this crop, at 8 cents a pound, is \$131,040,000. Now if the people of Texas and the people of the South generally join the Northeast in voting for a high tariff, as has just been done by certain Representatives from Louisiana and Texas, the people of Germany, France, and other European nations will certainly retaliate by putting a duty on cotton.

A tariff duty of only 10 per cent upon raw cotton by those nations would cost the State of Texas at least \$13,104,000, about ten times the entire value of their wool for 1896, and if those nations should, in retaliatory laws against Southern States, approximate the severe legislation they have enacted against Western wheat and beef and hog products, the damage to Texas would very possibly reach \$30,000,000.

#### PROTECTIONISTS ADMIT MCKINLEY LAW WAS INJURIOUS.

The McKinley law was the highest ad valorem duty on wool ever enacted until the present bill, and even the great apostle of protection, Judge Lawrence, admits that it was a disappointment, and that the price of wool went down under it.

I read from Tariff Hearings, page 1419:

Mr. TURNER. What was the effect of the McKinley Act, which, I think, was prepared somewhat under your advice? Was that a disappointment or not?

Mr. LAWRENCE. It was a disappointment. The effect of the McKinley Act was that the prices went down and down under it, and in Texas sheep declined in numbers.

Judge Lawrence admits another had effect of the high-tariff McKinley bill. I read again from same page:

Mr. WHEELER. What effect would this increase of tariff have upon the ordinary cheaper woolen clothing?

Mr. LAWRENCE. The effect of this tariff would be, for a time, to increase the cost of clothing.

Now, the only purpose claimed for a high tariff is that it increases the price of wool. We see it is admitted here that this was not realized, and we also see an admission from an advocate of protection that the effect of the McKinley law was to increase the price of clothing, and we were shown elsewhere that the increase was heaviest upon cheap clothing worn by people in moderate circumstances.

#### WOOL AS AN "INFANT INDUSTRY."

I find, in reading the speeches of Clay, Prentiss, and other great protectionists, that the theory upon which such laws were demanded was that it was proper to protect infant industries. The argument was that moderate protection should be extended to them until they had time to get established. Will some one who demands high tariff on wool tell how he now applies such a theory to that industry?

Our earliest histories tell us that the wool industry was in a flourishing condition before the flood. We read that Abel was a "keeper of sheep" when he was killed by his brother. In later years the flocks of Jacob and the other patriarchs are continually referred to in the Bible as sources of their great wealth. Ancient mythology tells the wonderful story of Jason's voyage in search of the golden fleece. At the dawning of Christianity we read of shepherds "watching their flocks by night."

Certainly there are few industries which can boast of a higher antiquity than this.

Mr. Thomas G. Shearman, in an address upon the tariff which he delivered in Detroit on January 11, 1883, said:

The manufacture of woolen goods affords another illustration. It has always been grievously injured by a heavy tax on wool. Woolen goods are "protected" (that is, taxed) by a duty of 50 to 100 per cent; but wool is also taxed at about the same rate, and machinery used in the manufacture is taxed 45 per cent. Now, it is impossible to manufacture first-class real woolen goods without mixing in them more or less of foreign wool. American wools will answer for a limited class of purposes, but for some other purposes they are, taken alone, of no good at all. The one great reason that has always been advanced for protecting our woolen manufacturers is that we ought to keep out English shoddy goods. The result of protection is that the woolen manufacturers of this country, being hindered by protection from getting real wool, use more shoddy and cotton in place of wool than any other manufacturers in the world. Real woolen goods are almost unknown here. First-class cloth is not made here at all. For every pound of wool in American woolen goods there is an average of three-quarters of cotton and shoddy.

Mr. David A. Wells, in speaking of the effect of the high tariff duty on wool, quotes a letter from Mr. George William Bond, of Boston, who is, he says, the highest authority on wool in this country.

Mr. Wells states:

Mr. Bond begins his letter by saying "that high duties on wool are now maintained as a bounty to States which raise comparatively a small part of the clip, for the rest do not require it. The oft-repeated claim that the United States should raise all the wool she consumes is folly. You ask, 'At what point does any tariff on wool begin to affect the price of the domestic clip?' I should say at that point which shuts us out from the competition of the world, so that we are restricted in the range of our manufacturers. Our fine wools have always been higher, other things being equal, when we were able to import the wools of other countries at a low duty, or at no duty at all. When the tariff of 1857 was passed, fine wools became virtually free, so that we went into full or nearly full competition with Europe.

President Grant, in his annual message to Congress of December 7, 1874, recommends in strong language that the tariff be revised and that such wools as we do not produce should be admitted free. He says:

The introduction free of duty of such wools as we do not produce would stimulate the manufacture of goods requiring the use of those we do produce, and therefore would be a benefit to home production.

Congress having disregarded the recommendation of General Grant, eight years later President Arthur felt called upon to recall the subject of tariff reduction to its attention as a matter of urgent importance, and in his second annual message of December 4, 1883, we find this language:

It will be remembered that I urged upon the attention of Congress, at its last session, the importance of relieving the industry and enterprise of the country from the pressure of unnecessary taxation.

If the tax on domestic spirits is to be retained, it is plain, therefore, that large reductions from the customs revenue are entirely feasible. While recommending this reduction, I am far from advising the abandonment of the policy of so discriminating in the adjustment of details as to afford aid and protection to domestic labor. But the present system should be so revised as to equalize the public burden among all classes and occupations, and bring it into closer harmony with the present needs of industry.

Without entering into minute detail, which, under present circumstances, is quite unnecessary, I recommend an enlargement of the free list so as to include within it the numerous articles which yield inconsiderable revenue, a simplification of the complex and inconsistent schedule of duties upon certain manufactures, particularly those of cotton, iron, and steel, and a substantial reduction of the duty upon those articles, and upon sugar, molasses, silk, wool, and woollen goods.

I again read from the address of the distinguished Republican, Thomas G. Shearman, of New York:

While it is true that wages generally are higher in this country than in England, it is not true that they are in all the protected industries. On the contrary, one of the results of the twenty-two years of steady protection which the cotton and woollen manufactures have had has been that the employers have finally succeeded in cutting down wages in this country below the rates paid in England.

I call special attention to the statement of Mr. Thomas G. Shearman that at the time to which he refers, January, 1883, wages in the woollen manufactures in this country were below the rates at that time paid in England.

Why was it that in January, 1883, labor in woollen mills had fallen until it was lower than in England? It was not low tariff on woollens that brought about this condition of labor. The duty on wool at that time was at its height, and it is clear to any investigating mind that this unreasonably high duty on raw wool was the main and controlling reason for the unfortunate condition of labor in American woollen mills.

#### SENATORS WILSON AND ALLISON ON WOOL.

It is not necessary to repeat so clear a proposition. In the Forty-first Congress Hon. William Lawrence, of Ohio, asked the Hon. WILLIAM B. ALLISON, of Iowa, with some sarcasm, how a reduction of duty on wool could benefit the woolgrowers. I will read a few expressions from Mr. (now Senator) ALLISON's reply. He said:

As the law now is, the tariff upon fine wools of a character not produced in this country is 100 per cent upon their cost.

Before the tariff of 1867 our manufacturers of fine goods mixed foreign fine wools with our own domestic product and thus were able to compete successfully with the foreign manufacturer of similar articles.

Mr. ALLISON then explained that the law of 1867 being prohibitory, these fine goods could not be produced so cheaply as in other countries; and—

Consequently mills that were formerly engaged in producing these goods have been compelled to abandon business or manufacture the coarser fabrics. If they could afford to manufacture these fine goods they would make a market, which we do not now have, for our fine wools to be mixed with other fine wools of a different character from abroad. This want of a market, as I understand, is the reason why our fine wools now command so low a price; there is no demand for them at home, and we can not export them in competition with fine wools grown in other countries.

This Hon. William Lawrence is the same William Lawrence who is now president of the National Wool Growers' Association, and who appeared before the Committee on Ways and Means and advocated an absolute prohibitory tariff upon wool; and this Hon. WILLIAM B. ALLISON is the same WILLIAM B. ALLISON who is now a distinguished Senator and the leading member of the Finance Committee of the Senate.

It will be observed that Mr. Lawrence is now in the employ of woolgrowers, and still advocates his extreme protection doctrine.

SENATOR WILLIAM H. SEWARD, OF NEW YORK, AND SENATORS CHARLES SUMNER AND HENRY WILSON, OF MASSACHUSETTS, ALL ADVOCATE FREE WOOL.

All through the records of Congress I find the most enlightened Whig and Republican Senators and Representatives of New England have argued with great force that the interests of the people of this country, including the woolgrowers, would be best served by placing wool on the free list. On February 26, 1857, Senator Wilson, in speaking on the tariff bill which was enacted on March 3 of that year, was very emphatic in demanding free wool for the benefit of the woolgrowers as well as for the benefit of the woollen manufacturers.

Mr. Wilson said:

The manufacturers, Mr. President, make no war upon the woolgrowers. They assume that the reduction of the duty on wool, or the repeal of the duty altogether, will infuse vigor into that drooping interest, stimulate home production, diminish the importation of foreign woollen manufactures, and afford a steady and increasing demand for American wool.

I would like to read the whole of Mr. Wilson's speech, as it bristles with facts and ideas which I commend to every gentleman

on the Republican side of the House. I will, however, read one more paragraph. I read from page 343, Appendix, third session Thirty-fourth Congress:

Since the reduction of duties in England, since wool was admitted free, her woollen manufactures have so increased, so prospered, that the production of native wool has increased more than 100 per cent. The experience of England, France, and Belgium demonstrates the wisdom of that policy which makes the raw materials duty free. Let us profit by their examples.

In the discussion and votes on the amendments to the tariff bill of March 3, 1857, I find that Mr. Wilson was fully supported by those distinguished Senators, Seward, of New York, and Sumner, of Massachusetts. They seemed to fully concur with Mr. Wilson that raw wool should be either free or subjected to a low tariff.

There are three things insisted upon by the advocates of high tariff upon raw wool:

First. That a high tariff will enable the United States to increase their product as compared with the product of the world;

Second. That a high tariff will cause the price of wool to rise in America and fall in foreign countries; and

Third. That free trade, which gives an unrestricted entry of wool free of duty to our ports, would cause a large increase in the price of wools in foreign markets.

The facts show that all three of these assertions are entirely without foundation. So far from these statements being true, the records show that they are the reverse of true.

Tariff Hearings, page 1545, states that the world's supply of wool increased from 1,126,000,000 in 1880 to 2,700,000,000 in 1895, an increase of 139 per cent. During all this time we had a tariff on raw wool running as high as 273 per cent and averaging over 100 per cent.

The actual production of wool in the United States, as shown by the earnings, page 1561, was 337,500,000 pounds in the grease in 1884, and it fell to 325,210,713 in 1894. The yield in scoured wool also fell from 151,875,000 in 1884 to 140,292,368 in 1894, and the number of sheep in the United States decreased from 50,500,000 in 1884 to 45,000,000 in 1894.

During all this time, as shown by page 1379 of the Hearings, the price of American wool in American markets fell from 37 cents in 1884 to 20½ cents in 1894, and we have already shown that the fall in price in England during this period of high tariff was not as great as in the United States, the table presented by Judge Lawrence, Tariff Hearings, page 1494, giving the English price in 1879 at 24 cents and the price in 1894 at 21 cents.

Now, we made wool free on August 23, 1894, and so far from foreign wools rising in value, as contended by protectionists, on the contrary, they fell.

On page 1491 we see that the quotation of the price of wools in London was for Southdown 21.70 in September, 1894, the date of the Wilson free-wool act, and instead of London wool rising under this act, as contended, it fell so that in March, May, and June, 1895, it was quoted at 20.20.

Lincoln wool was 21.70 in 1894. It was 18.60 in May, and 20.20 in June, and New South Wales, which was 14.49 in September, 1894, fell to 12.27 in June, 1895; and it must be borne in mind that all these figures are given by persons who insist upon a high rate of duty.

#### ENORMOUS DUTY ON CHEAP WOOLS.

The quotations of wool which I have cited are those of the best qualities of English. Now, the advocates of specific duties take pains to convey the impression that it is upon such wools that they ask a tariff of 11 cents a pound. But, in fact, we find that a large amount of the carpet wools which under the Dingley bill were transferred from Class III to Class I are purchased in South America, Asia, and Africa at a very low price. The records of the Treasury Department give the actual number of pounds of wool imported and the actual gross value.

The report presented to us of imports for consumption for 1893 and 1896 by the Treasury Department, page 1367, states that the imports of wool for consumption in 1895 were 129,527,223, and that their values were \$12,673,529.75. It gives the import value of one grade at 8 cents and the other at 9 cents, the average being 8½ cents. The duty on this was 11 cents, showing that the import duty under the present (the Dingley) bill would be 129 per cent.

In 1896 the imports are stated at 97,911,183 pounds, valued at \$9,473,748.06, and the valuation per pound of one class is stated at 9 cents and the other 10 cents, the average being 9½ cents; therefore the average ad valorem under the rates proposed by this (the Dingley) bill would be 115.7 per cent.

This equivalent ad valorem duty of 129 per cent for 1895 and 115.7 per cent for 1896 of all wools imported for consumption is calculated upon the actual value of all wool, including both the cheapest and dearest. Now, as the average was from 8 to 10 cents, and some of the wool cost 21 cents and over, it is evident that a considerable portion cost much less than 8 or 10 cents, and therefore the ad valorem under the Dingley bill would be as high as 200 per cent.

To further prove the high ad valorem duty upon many classes of



wool under this bill, I invite attention to tables on pages 1879, 1880, and 1881, showing the valuation of wools.

These tables were presented by Judge Lawrence at the hearings.

The following are the values given for 1894, and I give the equivalent ad valorem under the Dingley law, estimating scoured wool at 33 cents duty and scoured combing at 36 cents.

Description of wool.	Price.	Equivalent ad valorem under Dingley bill.
	Cents.	
Australian average scoured.....	31	106.4
Cape of Good Hope average scoured.....	27	123.2
Australian, Port Philip, good average scoured combing, 14 pence.....	28	123.4
Buenos Ayres average scoured.....	25	132
Adelaide Australian wool, average grease.....	10 1/2	104.7
Buenos Ayres, average grease, 35 per cent yield.....	9	122.2
Buenos Ayres, average grease, 30 per cent basis.....	7 1/2	146.6

Now, I find the following evidence as to the price of American wools, submitted by advocates of high protection:

Description of wool.	Equivalent ad valorem on the cheapest of these wools under Dingley bill.
	Per cent.
Page 1422, they quote—	
Washed clothing wool, Ohio, Pennsylvania, and Virginia, at from 15 to 21 cents.....	122.2
Washed combing and delaine wools, Ohio and Michigan, at from 18 1/2 to 21 cents.....	129.7
Unwashed wools, from 7 to 15 cents.....	157.1
Page 1582, New Mexico wool, 4 1/2 to 8 cents.....	206.6
Page 1604, 5,000 pounds sold at Albuquerque, N. Mex., at 2 1/2 cents a pound.....	440
Page 1585, Utah wool, 7 cents.....	157.1
Page 1597—	
California spring wool, 4 to 12 cents.....	275
California fall wool, 2 to 9 cents.....	550
California scoured wool, 12 to 30 cents.....	275
Page 1425, average price Texas wool, 7.39 cents.....	134.1

Now, under the wording of the Dingley bill, cheap wools similar to these in quality might be taxed by collectors as class 1, making the tax as high as 275 or even 550 per cent; or they might be taxed as class 3, and even then the tax would be 200 per cent on the 2-cent wool. It is true I have given extreme cases, but they show the inequality and injustice of the bill.

#### OTHER MANUFACTURERS DEMAND LOW TARIFF.

It appears that wool does not stand as an isolated instance of the advantages of reduction or abolition of duties.

A prominent manufacturer of shoes, in explaining the baleful effect of a high tariff upon his business, said:

If the materials used to make a shoe go up in price, labor always has to go down. Strikes result, as that seems to be the only way the laborer can protect himself from the encroachment of the employer. In a general strike in a shoe-manufacturing center, the operatives often gain temporary advantage; but with a supply greater than the demand, it can not long continue.

Gentlemen, do not blame the manufacturer for trying to meet the market, or blame the operatives for resisting a reduction in wages. It all goes to show that the supply is greater than the demand, and that our market is not large enough.

This manufacturer then goes on to explain how the cost of shoes is increased by duties on the articles used in their manufacture:

I will mention two or three articles specially, and speak of the others generally. Take, for instance, serges or lastings. The average duty on the serges or lastings used in the manufacture of shoes is 85 per cent.

Cotton, nails, tacks, buttons, threads, all have to be used in the make-up of a shoe, and they are protected. The iron from which we make our machinery is protected. If, as facetiously said, we make shoes of paper, that is protected, too. In short, you have paid a duty on nearly every component part of the shoe which you are now wearing on your foot.

A removal of duty from all articles used in the manufacture of a shoe would be an advantage to employer and employed.

He then states as a fact within his own knowledge that Canada imposed an import duty of 25 per cent on shoes, hoping thereby to be able to compete with the superior skill and the greater efficiency of the workman in the United States.

The gentleman then says that though they (the shoe manufacturers of the United States) are obliged to pay a high duty on every article that enters into a manufactured shoe, and contend against the Canadian import tax as well, they furnish as many shoes to Canada as ever. He then goes on to show what his craft could do were the burden of the duties on materials used in making shoes removed, and adds to the already accumulated mountain

of proof which shows that it is the superior skill and greater productive power of our workmen which secure them a higher rate of compensation than is paid for the character of work in other countries, and that this superior skill and greater capacity for production are actually weighted down by a high tariff. These are his words:

This alone proves what our shoe-manufacturing industry is capable of achieving if it can have a chance. There is no other country knows how or could make shoes as fast and as cheap as the Yankees, and all we need is one end of the bargain. If we are able to sell our goods when protected and protected against, if half the disadvantage we now stagger under were removed, we could soon fix ourselves into a place where the world's buyers could not afford to purchase from any other market.

In June, 1872, hides were put on the free list, and it was asserted that it would make them so cheap that farmers could not sell them for enough to repay the cost of curing and shipping. But this proved to be a mistaken prediction, as the price of sole leather has fallen much less than other articles.

#### DUTY ON RAW HIDES TO BENEFIT WEALTHY TRUSTS.

In 1872 we exported 12,102,019 pounds of sole, upper, and other leather, valued at \$2,864,800, the average price being 23.67 cents per pound.

In 1896 we exported 41,818,503 pounds of sole leather alone, valued at \$7,474,021, the average price being 17.87 cents per pound.

Section 437 of this act reads as follows:

Hides of cattle, raw or uncured, whether dry, salted, or pickled, 15 per cent ad valorem: *Provided*, That upon all leather exported, made from imported hides, there shall be allowed a drawback equal to the amount of duty paid on such hides, to be paid under such regulations as the Secretary of the Treasury may prescribe.

Now, about four-fifths of our exports of leather is made from domestic hides, but the leather trust, with a capital of \$125,000,000, will control the Government, so long as the Republican party remains in power, with regard to this matter, and they will succeed in getting a drawback on nearly all the leather which is exported.

The duty on hides will not benefit the farmer one particle, and with this drawback clause it is doubtful if it adds a particle to the revenue of the Government.

I think it will finally be developed that this duty on hides, together with the drawback clause, was inserted in the bill for the purpose of adding to the profits of a powerful and wealthy trust.

How differently this Republican Congress treated us with regard to iron ties and bagging for cotton.

Under the Wilson bill they were free. In the committee of the House and while the bill was being considered by the House, and again in the conference committee, I offered an amendment to retain these articles on the free list. This was opposed by every Republican, but was advocated by every Democrat. I then offered an amendment giving a rebate upon iron ties and cotton bagging when exported as a covering for cotton. This reasonable provision was also rejected.

Now, the bagging and ties on cotton are a part of the manufacture of the bale. They have no value after they have served their purpose of transmitting the cotton to the market, and there is much more reason why a rebate on such articles should be allowed than upon imported hides.

In the case of bagging and ties their identity could not be questioned, while hides manufactured into leather would be so changed that it would be very difficult to prevent glaring fraud.

It is a discrimination against the Southern farmers who make cotton and the Western farmers who raise grain which is utterly unjustifiable.

#### LARGE MAJORITY OF WHITE VOTERS FAVOR DEMOCRATIC LAWS.

Many of the Republican orators have contended that the result of the Presidential elections which have been held since the enactment of protection laws have been such as to justify the statement that these un-American and unconstitutional laws have been approved by the people. But the facts do not justify this conclusion.

Assuming the statement to be correct that the colored vote was so influenced by sentimental devotion to the governing party, or was so controlled by Republican officials and party machinery that it in no wise expressed either approval or disapproval of the methods of taxation, the white vote alone is left to afford us any guide as to the opinion of the people on this important question.

Although the Republican party availed itself of the eminent services and consequent exceptional popularity of that great soldier, General Grant, as its standard bearer in 1868 and 1872, Governor Hayes, whose career, military and civil, had been so blameless that censure or criticism were hardly attempted, to lead their hosts in 1876, and Garfield, equally popular as a general in war and a statesman in peace, in 1880, and had the Knight of the White Plume to magnetize and electrify the popular mind in 1884, and Benjamin Harrison, the grandson of the hero of Tippecanoe, and enjoying as he did the good record of Senator and general during the war, in 1888 and 1892, and the great apostle of protection, backed by the capital and wealth of the manufacturers and

bankers, in 1896, the vote cast by the white people during those eight elections was as follows:

Table showing the vote for President; also the white vote for President and the Democratic majority of white voters at each of the eight elections from 1863 to 1896.

Year.	Presidential candidates.	Republican.	Republican, negro vote deducted.	Democratic.	Democratic majority of white voters.
1868.	Seymour and Grant.....	3,015,071	2,525,719	2,709,613	183,894
1872.	Greeley and Grant.....	3,507,070	2,796,401	2,834,079	37,678
1876.	Tilden and Hayes.....	4,033,950	3,197,297	4,284,757	1,087,460
1880.	Hancock and Garfield....	4,449,053	3,640,310	4,442,035	801,725
1884.	Cleveland and Blaine.....	4,848,334	3,979,275	4,911,017	931,742
1888.	Cleveland and Harrison....	5,440,216	4,663,043	5,538,233	875,190
1892.	do.....	5,176,108	4,436,664	5,556,918	1,120,254
1896.	Bryan and McKinley.....	7,104,770	6,089,811	6,502,925	413,114

In 1868, Mississippi, Texas, and Virginia were not allowed to vote, and the electoral vote of Florida was cast by the legislature. There were 399,738 white voters in those States, none of whom were included in the above returns. It may be safely estimated that nearly 300,000 of these would have voted for the Democratic ticket, increasing the Democratic vote for that year to nearly 3,000,000.

I do not think that anyone will question the proposition that every Democratic vote of this large majority of the white voters of the country should be accepted as the voluntary expression of the preference of the citizen. But this statement can not be said to apply to the whole of the votes which make up the white voting strength of the Republican minority. The proof is too conclusive to be doubted that in the manufacturing districts the practice prevailed of giving the employees to understand that unless they voted as their employers desired their services would be dispensed with.

There are about 900,000 voters engaged as operatives in factories, and we may assume that one-third of these are influenced or constrained to vote as desired by their employers. Deduct these from the Republican column and add them to the Democratic vote and the expression in favor of Democratic principles would be very pronounced.

Mr. Speaker, I will mention some of the burdens which the poor must bear under this bill.

The blankets, the flannels, and hats that are to shield them from the cold of winter and the window glass for their cabins and houses are all taxed from 100 to 250 per cent.

A MEMBER. Is that an increase over the present law?

Mr. WHEELER of Alabama. Yes, an increase over the present law and also over the McKinley bill.

I have before me five sizes of window glass. The tariff rate is as I will read by the three bills:

	McKinley bill.	Wilson bill.	Dingley bill.
	Per cent.	Per cent.	Per cent.
First size.....	47.47	39.57	55
Second size.....	106.19	82.33	125
Third size.....	120.66	100.77	139.70
Fourth size.....	124.97	106.47	151.31
Fifth size.....	116.79	95.66	174.45

The poor man's tobacco, by the Dingley bill, is taxed as high as 837.39 per cent; the tax on blankets is raised from the Wilson bill rate of 40 per cent to 167.9 per cent; the tax on flannels is raised from the Wilson bill rate of 35 per cent to 145.29 per cent; the tax on cheap shawls is raised from the Wilson bill rate of 35 per cent to 212.83 per cent, and the tax on wool hats from the Wilson bill rate of 25 per cent up to 257.50.

#### INCREASED PRODUCTION UNDER DEMOCRATIC (WILSON) BILL.

Mr. Speaker, the bill we are about to repeal has infused life and prosperity into American industries. The McKinley bill was the law during most of 1894 and the three previous years. The Wilson bill was in full operation during 1895 and 1896. I give below statistics showing the marvelous increase of production and export under the Wilson bill as compared with the McKinley bill:

Production.	Under McKinley bill (1894).	Under Wilson bill (1895).
Pig iron.....gross tons..	6,057,388	9,446,308
Spiegelisen and ferromanganese, included in pig iron.....gross tons..	130,180	171,724
Bar hoop, skelp, and structural iron and steel, gross tons.....	2,155,875	3,005,765
Iron and steel, structural shapes, included above, gross tons.....	360,305	517,908

Production.	Under McKinley bill (1894.)	Under Wilson bill (1895.)
Iron and steel rods.....gross tons..	673,402	791,130
Plate and sheet iron and steel, except nail plate, gross tons.....	682,900	991,459
Iron and steel wire nails, kegs of 100 pounds.....	5,681,801	5,841,403
All rolled iron and steel, including cut nails and excluding rails.....gross tons..	3,620,439	4,883,439
All rolled iron and steel, including both cut nails and rails.....gross tons..	4,642,211	6,180,574
Bessemer steel rails.....do.....	2,016,013	1,399,623
Iron nails.....do.....	4,674	5,810
Total production of rails.....do.....	1,021,772	1,300,135
Street rails included above.....do.....	1,087,460	157,457
Bessemer steel.....do.....	3,571,313	4,909,123
Open-hearth steel a.....do.....	784,936	1,137,183
Crucible steel.....do.....	51,702	67,668
All kinds of crude steel.....do.....	4,412,032	6,114,834
Ore, pig, and scrap blooms for sale.....do.....	3,621	7,225
Tin plates for year ended June 30 b.....pounds..	139,223,467	193,801,073
Iron and steel ships built, fiscal year ended June 30 c.....gross tons..	39	43
Bars, rods, bolts, hoops, skelp, shapes, rolled axles, etc.....gross tons..	1,466,246	1,932,025
Total rolled iron and steel.....gross tons..	2,719,796	3,491,935
Bars, rods, bolts, hoops, skelp, shapes, rolled axles, etc.....gross tons..	448,297	649,136
Iron and steel plates, except nail plates.....do.....	107,347	163,006
Total consumption of iron ore.....gross tons..	12,235,000	17,253,000
Shipments of anthracite coal from the mines in Pennsylvania.....gross tons..	41,391,200	46,511,477
Exports of anthracite and bituminous coal, gross tons.....	3,639,344	3,682,683
Immigrants in the year ended December 31.....	250,313	234,330
Value of exports of iron and steel d.....	\$29,943,729	\$35,062,838

a For 1896, 1,298,700 gross tons.

b For 1896, 307,228,021 pounds.

c For 1896, 60.

d For 1896, \$48,070,218.

Table showing United States exports of merchandise during the year 1894, the last year of the McKinley bill; the increase during 1895, the first year of the Wilson bill, and the remarkable increase in 1896 and 1897, the second and third years of the Wilson bill.

Domestic.	Twelve months ending December—			Twelve months, June 30, 1897.
	1894.	1895.	1896.	
Products of agriculture.....	\$573,684,383	\$545,715,881	\$664,962,505	\$683,878,900
Manufactures.....	177,800,969	201,153,663	253,688,627	275,357,861
Mining.....	17,568,704	19,820,503	21,405,771	21,338,129
Forest.....	28,786,851	30,602,003	36,281,501	40,480,321
Fisheries.....	5,230,818	6,232,229	6,594,463	6,134,014
Miscellaneous.....	4,231,391	4,158,047	3,911,420	3,802,965
Total.....	807,312,116	807,742,415	986,844,193	1,032,001,300

#### DINGLEY BILL WILL AROUSE INDIGNATION.

These tables, Mr. Speaker, are taken from the published records of the Treasury Department, and from the records of the American Iron and Steel Association, an organization devoted to the advocacy of tariff duties for protection. With these figures staring them in the face, it is not surprising that Mr. DINGLEY and his Republican associates have made no attempt to defend the measure which they are about to enact into law.

These figures are an argument in favor of the Democratic idea of tariff and against Republican theories which can not be answered by sophistry and high-sounding platitudes.

These figures and the uncontrovertible facts which I have stated carry with them a conviction more powerful than the most soul-stirring eloquence. They show that under a tariff law similar to the one the Republican party is now forcing upon the country industries were paralyzed, production and exports decreased, factories were closed, people were idle, and prosperity languished.

The Democratic tariff bill, which you are about to repeal, has been in full operation but two and one-half years.

During that short time life has been enlivened in every industry in our land, closed factories have been opened, the idle have been employed, production and exports have been increased, and an era of prosperity seemed to be about to commence.

Since the passage of the wise Democratic bill our exports of agricultural products have increased \$110,194,607; our exports of manufactured goods have increased \$97,556,892; our exports of mining products have increased \$3,751,425; the exports from our forests \$11,702,470, and the exports of our fisheries \$894,196, and our total exports have increased \$224,639,184.

With this evidence before you of advancing prosperity under the Democratic Wilson bill, which you are about to repeal, and the languishing industries under a Republican bill similar to the one which you are about to enact, I tell you now that this action will be followed by a storm of indignation and resentment from all parts of our land which will sweep the Republican party from power and once again place the Government under the control of the defenders of right, the defenders of liberty, and the defenders of the people. [Prolonged applause on the Democratic side.]



## EXHIBIT No. 1.

Extract from Mr. Wheeler's speech of March 22, 1897.

DEFICIENCY CREATED UNDER MCKINLEY BILL, NOT UNDER WILSON BILL.

The attempt of Republicans to hold the Democratic party and the Wilson bill responsible for deficiency in the revenues is a gross outrage and wrong. There never was any deficiency under President Cleveland's first Administration, but on the contrary, owing to the economy and integrity with which the high duties of that office were administered, a very large surplus was created during the four years that he occupied the Presidential chair, from 1885 to 1890. And I assert that the deficiencies commenced during the Administration of President Harrison and after the passage of the McKinley bill. The McKinley bill became law on October 1, 1890, and a deficiency of \$13,891,347.60 occurred the very next month, namely, November, 1890.

I give below the receipts and expenditures and exact deficiencies during fifteen months of President Harrison's Administration.

Every one of those deficiencies were under the operation of the McKinley bill and under a Republican Administration. It will be seen that they commenced to be continuous in September, 1892, before Mr. Cleveland was elected, and at a time when Republicans were confident of a Republican victory, and these deficiencies continued every month until the close of President Harrison's Administration on March 4, 1893:

Table showing the receipts, expenditures, and deficiencies during fifteen months of President Harrison's Administration, and during a period when the McKinley bill was in full operation.

Month of—	Receipts.	Expenditures.	Deficiencies.
November, 1890.....	\$23,678,674.71	\$42,570,022.40	\$13,891,347.69
February, 1891.....	29,273,173.02	29,725,009.86	451,836.84
March, 1891.....	29,027,455.46	29,062,737.10	35,281.64
May, 1891.....	27,289,305.94	27,690,326.65	401,020.71
October, 1891.....	28,448,562.21	30,650,810.52	2,202,248.31
December, 1891.....	37,646,515.73	30,424,727.67	7,221,788.06
January, 1892.....	30,383,478.60	34,175,350.10	3,791,871.50
April, 1892.....	26,971,224.04	30,050,631.97	3,088,407.93
May, 1892.....	28,228,393.45	31,732,793.89	3,504,400.44
July, 1892.....	34,314,331.25	37,249,407.04	2,935,075.79
October, 1892.....	31,836,138.21	31,881,250.18	45,111.97
November, 1892.....	28,739,885.38	29,640,778.28	900,892.90
December, 1892.....	33,086,963.60	33,459,959.58	372,995.98
January, 1893.....	35,003,052.31	38,351,452.18	3,348,399.87
February, 1893.....	29,606,142.23	30,896,273.00	1,289,130.77

These deficiencies were due solely to Republican tariff and Republican pension legislation and other extravagant appropriations made by Republicans, all of which were opposed and condemned by Democratic Representatives.

The laws passed by Republicans during the first Congress under President Harrison made an increase of annual charges upon the Government of more than \$50,000,000 per annum.

## EXHIBIT No. 2.

Statement showing dates and amounts when receipts exceeded expenditures from March 6, 1897, to July 1, 1897.

Mar. 6.....	\$258,686.78	Apr. 20.....	\$393,837.10	June 2.....	\$21,894.80
8.....	26,893.00	21.....	832,394.06	3.....	106,466.24
12.....	427,393.49	23.....	830,052.75	4.....	599,153.54
13.....	235,674.65	25.....	819,881.30	5.....	120,868.32
15.....	919,753.50	26.....	944,436.70	6.....	253,963.20
16.....	2,383,888.87	28.....	987,304.76	8.....	25,678.59
17.....	227,137.24	27.....	783,974.99	9.....	279,119.56
18.....	960,340.31	28.....	149,741.72	10.....	200,156.82
19.....	96,671.01	29.....	1,472,974.15	11.....	117,285.09
20.....	74,029.48	30.....	2,449,616.15	12.....	458,704.73
22.....	303,015.31	May 1.....	741,323.84	14.....	556,893.85
23.....	53,643.95	3.....	1,142,542.07	15.....	150,552.67
24.....	80,487.87	4.....	108,167.03	16.....	430,261.23
25.....	691,695.32	5.....	5,776.16	17.....	458,708.22
26.....	144,780.08	10.....	103,064.67	18.....	518,272.31
27.....	971,959.50	14.....	17,786.86	19.....	419,779.17
29.....	1,207,472.79	15.....	67,844.92	21.....	825,506.63
30.....	857,906.02	17.....	46,890.51	22.....	93,221.07
31.....	1,348,171.89	18.....	14,945.24	23.....	122,000.99
Apr. 1.....	1,589,241.91	19.....	325,391.47	24.....	196,163.46
2.....	340,250.72	21.....	69,755.13	25.....	127,875.04
3.....	771,115.05	22.....	28,039.83	26.....	98,156.67
5.....	23,909.42	25.....	86,417.84	28.....	786,384.41
8.....	14,809.63	27.....	36,530.49	29.....	1,102,714.79
9.....	104,835.75	28.....	67,439.35	30.....	2,998,969.84
17.....	20,088.56	29.....	1,139,869.56		
19.....	64,301.03	June 1.....	50,936.82	Total.	38,149,878.25

## EXHIBIT No. 3.

Trusts described in a work by William W. Cook, of the New York bar, pages 64 to 77.

Trust.	Present duty.	Proposed duty.
The Standard Oil trust.....	Free	1.05 per pound.
The sugar trust.....	40 per cent and 1 cent	4 cents a gallon.
The American cotton-seed oil trust.....	Free	
The envelope trust.....	20 per cent.	20 per cent.
The glass trust.....	36 per cent.	45 per cent.

Trusts described in a work by William W. Cook, etc.—Continued.

Trust.	Present duty.	Proposed duty.
The New York meat trust.....	20 per cent.	2 cents per pound.
The Brooklyn warehouse trust.....	Free	2 cents a gallon.
Milk trust.....	Free	35 to 50 per cent.
The oilcloth trust.....	25 to 40 per cent.	50 per cent.
The sandstone trust.....	30 per cent.	
The pitch and coal-tar trust.....	Free	

Trusts described by Charles Whitney Baker in a work published in 1889.

Trust.	Tariff under—	
	Wilson bill.	Dingley bill.
Beef.....	20 per cent.	2 cents pound.
Bread.....	do.	20 per cent.
Carpet.....	30 to 40 per cent.	62½ cents and 40 per cent.
Clothes wringers.....	35 per cent.	45 per cent.
Dental tools.....	do.	Do.
Felt.....	25 to 50 per cent.	40 cents and 55 per cent.
Flour.....	20 to 25 per cent.	15 per cent.
Jute bagging.....	Free	20 cents to 40 cents.
Lager beer.....	15 cents to 30 cents.	45 cents per gross and 25 per cent.
Lead pencil.....	50 per cent.	\$1 per M.
Lumber.....	Free	2 cents per gallon.
Milk.....	do.	20 cents a pound and 10 per cent.
Patent leather.....	20 per cent.	30 cents per M.
Shingle.....	Free	\$3 and 25 per cent.
Watch and case.....	25 per cent.	2½ cents.
White lead.....	1½ cents.	

List of trusts of more recent origin, referred to by Hon. De Witt Warner and Senators Vest and White.

Name of organization.	Tariff under—	
	Wilson bill.	Dingley bill.
Barbed wire.....	2½ cents per pound.	2½ to 3 cents.
Biscuit and cracker.....	20 per cent.	20 per cent.
Bolt and nut.....	1½ cents per pound.	1½ cents per pound.
Boiler.....	35 to 45 per cent.	45 per cent.
Boot and shoe.....	20 per cent.	25 per cent.
Borax.....	2 cents per pound.	5 cents per pound.
Broom.....	30 per cent.	40 per cent.
Brush.....	35 per cent.	Do.
Button.....	35 to 57 per cent.	47 to 78 per cent.
Carbon candle.....	30 per cent.	30 per cent.
Cartridge.....	do.	Do.
Casket.....	25 per cent.	35 per cent.
Caster oil.....	35 cents per gallon.	35 cents per gallon.
Celluloid.....	45 per cent.	65 cents and 25 per cent.
Cigarette.....	\$4 per pound and 25 per cent.	\$4 per pound and 25 per cent.
Coal.....	40 cents per ton.	67 cents per ton.
Condensed milk.....	2 cents per pound.	2 cents per pound.
Copper, ingot.....	Free.	Free.
Copper, sheet.....	do.	Do.
Cordage.....	Binding free; 10 per cent and 1 cent per pound.	1 cent and 2 cents per pound.
Crockery.....	30 and 35 per cent.	55 per cent.
Cotton, duck.....	35 per cent.	35 per cent.
Cotton-seed oil.....	Free	4 cents per gallon.
Cotton thread.....	5½ cents per dozen.	6 cents per dozen.
Electric supply.....	35 per cent.	45 per cent.
Linseed oil.....	20 cents per gallon.	30 cents per gallon.
Lithograph.....	13 to 25 per cent.	26 to 41 per cent.
Locomotive tire.....	1½ cents per pound.	1½ cents per pound.
Marble.....	85 cents per cubic foot.	\$1.50 per cubic foot.
Match.....	20 per cent.	8 cents per gross.
Morocco leather.....	do.	10 per cent.
Oatmeal.....	15 per cent.	1 cent per pound.
Paper bag.....	20 per cent.	35 per cent.
Pitch.....	Free.	Free.
Plate glass.....	5 to 35 cents per square foot.	8 to 35 cents per square foot.
Pocket cutlery.....	25 to 75 per cent.	To 100 per cent.
Powder.....	5 to 8 cents.	4 to 6 cents.
Preserves.....	30 per cent.	35 per cent.
Pulp.....	10 per cent.	\$1.50 to \$5 per ton.
Rice.....	1½ cents per pound.	2 cents per pound.
Rubber gossamer.....	45 to 60 per cent.	50 cents and 55 per cent.
Rubber, general.....	25 per cent.	30 per cent.
Safe.....	35 per cent.	45 per cent.
Salt.....	Free	12 cents per 100 pounds.
Sanitary ware.....	do.	55 per cent.
Sandpaper.....	20 per cent.	35 per cent.
Sash, door, and blind.....	25 per cent.	Do.
Saw.....	12 to 50 per cent.	12 to 50 per cent; band, 10 cents and 20 per cent.
Schoolbook.....	25 per cent.	25 per cent.
School furniture.....	do.	35 per cent.
Sewer pipe.....	20 per cent.	25 per cent.
Shot and lead.....	1½ cents per pound.	2½ cents per pound.
Skewer.....	25 per cent.	35 per cent.

List of trusts of more recent origin, etc.—Continued.

Name of organization.	Tariff under—	
	Wilson bill.	Dingley bill.
Amalgams	35 per cent.	45 per cent.
Snath	25 per cent.	35 per cent.
Soap	10 to 35 per cent.	20 to 50 per cent.
Road-water machinery	35 per cent.	45 per cent.
Spool, bobbin, and shuttle	25 per cent.	35 per cent.
Sponges	10 per cent.	20 per cent.
Starch	11 cents per pound.	11 cents per pound.
Steel	35 per cent.	45 per cent.
Steel rail	\$7.24 per ton.	\$8.72 per ton.
Stove board	35 per cent.	45 per cent.
Straw board	25 per cent.	30 per cent.
Structural steel	1 cent per pound.	1 cent per pound.
Teazel	15 per cent.	30 per cent.
Tin plate	11 cents.	11 cents.
Tombstones	45 per cent.	50 per cent.
Trunk	30 per cent.	35 per cent.
Tube	25 per cent.	2 cents per pound.
Type	15 per cent.	25 per cent.
Umbrella	45 per cent.	50 per cent.
Vapor stove	do.	1 cent per pound.
Wall paper	20 per cent.	35 per cent.
Watch	25 per cent.	35 cents to \$3 and 35 per cent.
Wheel	do.	35 per cent.
Whip	30 per cent.	Do.
Window glass	1 to 25 cents.	1 to 25 cents.
Wire	11 cents to 40 per cent.	11 to 2 cents.
Wood screw	1 to 10 cents.	4 to 12 cents.
Wood hat	5 to 35 per cent.	40 cents per pound and 55 per cent.
Wrapping paper	20 per cent.	25 per cent.
Yellow pine	Free	\$1 per M feet.

EXHIBIT No. 4.

Wool clip of the United States in grease and scoured; number of sheep and imports of wool from 1880 to 1896, inclusive.

Year.	Wool in the grease.	Shrinkage of fleece wool.	Yield of scoured wool, including pulled.	Number of sheep (millions).	Imports of wool.
	Pounds.	Per cent.	Pounds.		Pounds.
1880	294,000,000	50	124,000,000	401	123,131,747
1881	290,000,000	50	118,000,000	401	55,964,236
1882	300,000,000	54	138,000,000	415	67,861,744
1883	323,400,000	54	147,384,000	404	70,575,478
1884	337,500,000	55	151,875,000	394	73,360,651
1885	329,000,000	55	148,230,000	392	70,566,170
1886	323,061,026	55.74	149,955,025	401	129,084,958
1887	313,169,950	55.58	140,556,055	411	114,038,090
1888	301,876,121	57.43	136,591,055	401	113,558,753
1889	295,779,479	56.23	134,795,479	421	126,487,729
1890	310,474,354	54.98	139,628,250	441	105,431,235
1891	307,101,507	54.97	139,336,709	431	129,303,648
1892	333,018,405	59	145,300,318	45	148,070,652
1893	348,538,136	59.27	157,100,776	471	172,433,838
1894	325,210,712	59.71	140,292,268	45	55,152,585
1895	294,296,736	60	123,718,690	431	139,527,223
1896	272,474,708	60.70	115,284,570	381	97,011,183

Table showing the aggregate value of imported wool, the duty paid thereon, and ad valorem rate from 1876 to 1893, inclusive, and the same with regard to manufactures of wool.

Year ending June 30—	Wool, and manufactures of.					
	Unmanufactured.		Ad valorem rate of duty.	Manufactures of.		Ad valorem rate of duty.
	Values.	Ordinary duty.		Values.	Ordinary duty.	
			Per cent.			Per cent.
1876	\$7,887,616	\$2,787,208	35.34	\$34,372,729	\$22,519,106	65.51
1877	7,012,972	2,657,907	37.90	26,432,207	17,000,141	64.54
1878	6,266,367	2,714,206	38.80	25,708,302	17,176,540	66.83
1879	5,516,813	1,966,270	35.64	25,037,110	16,839,064	67.26
1880	17,013,666	7,374,217	41.17	31,834,547	21,864,153	68.68
1881	12,080,827	4,800,815	40.30	33,103,322	22,424,810	67.74
1882	10,333,359	3,854,633	37.30	37,284,823	25,308,393	68.12
1883	8,491,988	3,174,628	37.38	42,552,456	29,146,265	68.49
1884	13,503,200	4,532,826	33.27	41,484,872	27,478,400	66.23
1885	9,474,204	3,164,290	30.40	36,176,705	24,294,939	67.16
1886	13,794,213	5,126,108	37.10	40,596,509	27,278,528	67.29
1887	10,351,370	5,890,816	56.98	44,235,244	29,739,718	67.21
1888	14,022,100	4,739,497	33.63	47,158,048	32,215,121	68.31
1889	17,432,759	5,982,312	34.32	52,981,483	35,373,627	67.15
1890	16,105,043	5,460,886	33.78	54,165,423	37,440,051	69.12
1891	17,070,183	5,552,886	32.36	63,235,469	34,867,453	55.82
1892	17,067,068	7,790,089	44.07	35,708,900	34,236,006	95.81
1893	15,403,689	8,147,230	44.27	30,957,804	36,451,562	98.55

I call attention to the fact that in 1893, when the equivalent ad valorem of the McKinley bill was the highest, the imports of raw wool were valued at \$18,403,689, a greater amount than was ever before imported. This goes very far to show that American manufacturers must have foreign wool, and goes very far toward sustaining our argument against a high tariff upon this article.

## The Issues of the Campaign.

## SPEECH

OF

HON. CHARLES H. GROSVENOR,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

The House having under consideration the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States, and the question being upon agreeing to the report of the committee of conference on the disagreeing votes of the two Houses—

Mr. GROSVENOR said:

Mr. SPEAKER: The Republicans have not abandoned any part or tittle of their political faith. They have stood by their guns; they have abandoned no word of their platform, and during the session of Congress now closing the party on this floor has redeemed, as far as possible, every pledge made to the people of the country, and we go forth to the contest of 1897 reiterating the platform adopted at St. Louis and the construction given to it by the great leader of the party in 1896. In his letter of acceptance he said:

GENTLEMEN: In pursuance of the promise made to your committee when notified of my nomination as the Republican candidate for President, I beg to submit this formal acceptance of that high honor, and to consider in detail questions at issue in the pending campaign. Perhaps this might be considered unnecessary in view of my remarks on that occasion and those I have made to delegations that have visited me since the St. Louis convention, but in view of the momentous importance of the proper settlement of the issues presented on our future prosperity and standing as a nation, and considering only the welfare and happiness of our people, I could not be content to omit again calling attention to the questions which, in my opinion, vitally affect our strength and position among the governments of the world, and our morality, integrity, and patriotism as citizens of that Republic, which for a century past has been the best hope of the world and the inspiration of mankind. We must not now prove false to our own high standards in government, nor unmindful of the noble example and wise precepts of the fathers, or of the confidence and trust which our conduct in the past has always inspired.

## THE FREE COINAGE OF SILVER.

For the first time since 1866, if ever before, there is presented to the American people this year a clear and direct issue as to our monetary system, of vast importance in its effects, and upon the right settlement of which rests largely the financial honor and prosperity of the country. It is proposed by one wing of the Democratic party, and its allies, the People's and Silver parties, to inaugurate the free and unlimited coinage of silver by independent action on the part of the United States at a ratio of 16 ounces of silver to 1 ounce of gold.

The more declaration of this purpose is a menace to our financial and industrial interests, and has already created universal alarm. It involves great peril to the credit and business of the country, a peril so grave that conservative men everywhere are breaking away from their old party associations and uniting with other patriotic citizens in emphatic protest against the platform of the Democratic national convention as an assault upon the faith and honor of the Government and the welfare of the people. We have had few questions in the lifetime of the Republic more serious than the one which is thus presented.

## NO BENEFIT TO LABOR.

The character of the money which shall measure our values and exchanges and settle our balances with one another and with the nations of the world is of such primary importance and so far-reaching in its consequences as to call for the most painstaking investigation, and, in the end, a sober and unprejudiced judgment at the polls. We must not be misled by phrases nor deluded by false theories. Free silver would not mean that silver dollars were to be freely had without cost or labor. It would mean the free use of the mints of the United States for the few who are owners of silver bullion, but would make silver coin no freer to the many who are engaged in other enterprises. It would not make labor easier, the hours of labor shorter, or the pay better. It would not make farming less laborious or more profitable. It would not start a factory or make a demand for an additional day's labor. It would create no new occupations. It would add nothing to the comfort of the masses, the capital of the people, or the wealth of the nation. It seeks to introduce a new measure of value, but would add no value to the thing measured. It would not conserve values. On the contrary, it would derange all existing values. It would not restore business confidence, but its direct effect would be to destroy the little which yet remains.

## WHAT IT MEANS.

The meaning of the coinage plank adopted at Chicago is that anyone may take a quantity of silver bullion, now worth 53 cents, to the mints of the United States, have it coined at the expense of the Government, and receive for it a silver dollar which shall be legal tender for the payment of all debts, public and private. The owner of the silver bullion would get the silver dollar. It would belong to him and to nobody else. Other people would get it only by their labor, the products of the land, or something of value. The bullion owner on the basis of present values would receive the silver dollar for 53 cents' worth of silver, and other people would be required to receive it as a full dollar in the payment of debts. The Government would get nothing from the transaction. It would bear the expense of coining the silver and the community would suffer loss by its use.

## THE DOLLARS COMPARED.

We have coined since 1878 more than 400,000,000 silver dollars, which are maintained by the Government at parity with gold, and are a full legal tender for the payment of all debts, public and private. How are the silver dollars now in use different from those which would be in use under free coinage? They are to be of the same weight and fineness; they are to bear the same stamp of the Government. Why would they not be of the same value? I answer: The silver dollars now in use were coined on account of the Government, and not for private account or gain, and the Government has solemnly agreed to keep them as good as the best dollars we have.



The Government bought the silver bullion at its market value and coined it into silver dollars. Having exclusive control of the mintage, it only coins what it can hold at a parity with gold. The profit, representing the difference between the commercial value of the silver bullion and the face value of the silver dollar, goes to the Government for the benefit of the people. The Government bought the silver bullion contained in the silver dollar at very much less than its coinage value. It paid it out to its creditors and put it in circulation among the people at its face value of 100 cents, or a full dollar. It required the people to accept it as a legal tender, and is thus morally bound to maintain it at a parity with gold, which was then, as now, the recognized standard with us and the most enlightened nations of the world. The Government having issued and circulated the silver dollar, it must in honor protect the holder from loss. This obligation it has so far sacredly kept. Not only is there a moral obligation, but there is a legal obligation, expressed in public statute, to maintain the parity.

#### THEY COULD NOT BE KEPT AT PAR.

These dollars, in the particulars I have named, are not the same as the dollars which would be issued under free coinage. They would be the same in form, but different in value. The Government would have no part in the transaction except to coin the silver bullion into dollars. It would share in no part of the profit. It would take upon itself no obligation. It would not put the dollars into circulation. It could only get them, as any citizen would get them, by giving something for them. It would deliver them to those who deposited the silver, and its connection with the transaction there end. Such are the silver dollars which would be issued under free coinage of silver at a ratio of 16 to 1. Who would then maintain the parity? What would keep them at par with gold?

There would be no obligation resting upon the Government to do it, and if there were, it would be powerless to do it. The simple truth is we would be driven to a silver basis—to silver monometallism. These dollars, therefore, would stand upon their real value. If the free and unlimited coinage of silver at a ratio of 16 ounces of silver to 1 ounce of gold would, as some of its advocates assert, make 53 cents in silver worth 100 cents and the silver dollar equal to the gold dollar, then we would have no cheaper money than now, and it would be no easier to get. But that such would be the result is against reason and is contradicted by experience in all times and in all lands. It means the debasement of our currency to the amount of the difference between the commercial and coin value of the silver dollar, which is ever changing, and the effect would be to reduce property values, entail untold financial loss, destroy confidence, impair the obligations of existing contracts, further impoverish the laborers and producers of the country, create a panic of unparalleled severity, and inflict upon trade and commerce a deadly blow. Against any such policy I am unalterably opposed.

#### BIMETALLISM.

Bimetallism can not be secured by independent action on our part. It can not be obtained by opening our mints to the unlimited coinage of the silver of the world at a ratio of 16 ounces of silver to 1 ounce of gold when the commercial ratio is more than 30 ounces of silver to 1 ounce of gold. Mexico and China have tried the experiment. Mexico has free coinage of silver and gold at a ratio slightly in excess of 164 ounces of silver to 1 ounce of gold, and while her mints are freely open to both metals at that ratio, not a single dollar in gold bullion is coined and circulated as money.

Gold has been driven out of circulation in these countries and they are on a silver basis alone. Until international agreement is had, it is the plain duty of the United States to maintain the gold standard. It is the recognized and sole standard of the great commercial nations of the world, with which we trade more largely than any other. Eighty-four per cent of our foreign trade for the fiscal year 1895 was with gold-standard countries, and our trade with other countries was settled on a gold basis.

#### WE NOW HAVE MORE SILVER THAN GOLD.

Chiefly by means of legislation during and since 1878, there has been put in circulation more than \$24,000,000 of silver, or its representative. This has been done in the honest effort to give to silver, if possible, the same bullion and coinage value, and encourage the concurrent use of both gold and silver as money. Prior to that time there had been less than nine millions of silver dollars coined in the entire history of the United States, a period of eighty-nine years. This legislation secures the largest use of silver consistent with financial safety and the pledge to maintain its parity with gold. We have to-day more silver than gold. This has been accomplished at times with grave peril to the public credit.

The so-called Sherman law sought to use all the silver product of the United States for money at its market value. From 1890 to 1893 the Government purchased 4,500,000 ounces of silver a month, or 54,000,000 ounces a year. This was one-third of the product of the world and practically all of this country's product. It was believed by those who then and now favor free coinage that such use of silver would advance its bullion value to its coinage value, but this expectation was not realized. In a few months, notwithstanding the unprecedented market for the silver produced in the United States, the price of silver went down very rapidly, reaching a lower point than ever before. Then, upon the recommendation of President Cleveland, both political parties united in the repeal of the purchasing clause of the Sherman law. We can not with safety engage in further experiments in this direction.

#### THE DOUBLE STANDARD.

On the 22d of August, 1881, in a public address, I said: "If we could have an international ratio, which all the leading nations of the world would adopt, and the true relation be fixed between the two metals, and all agree upon the quantity of silver which should constitute a dollar, then silver would be as free and unlimited in its privileges of coinage as gold is to-day. But that we have not been able to secure, and with the free and unlimited coinage of silver adopted in the United States, at the present ratio, we would be still further removed from any international agreement. We may never be able to secure it if we enter upon the isolated coinage of silver. The double standard implies equality at a ratio, and that equality can only be established by the concurrent law of nations. It was the concurrent law of nations that made the double standard; it will require the concurrent law of nations to reinstate and sustain it."

#### IT FAVORS THE USE OF SILVER MONEY.

The Republican party has not been, and is not now, opposed to the use of silver money, as its record abundantly shows. It has done all that could be done for its increased use, with safety and honor, by the United States acting apart from other governments. There are those who think that it has already gone beyond the limit of financial prudence. Surely we can go no farther, and we must not permit false lights to lure us across the danger line.

#### WE HAVE MORE SILVER THAN OTHER COUNTRIES.

We have much more silver in use than any country in the world except India or China—\$500,000,000 more than Great Britain, \$150,000,000 more than France, \$400,000,000 more than Germany, \$325,000,000 less than India, and \$125,000,000 less than China. The Republican party has declared in favor of an international agreement, and if elected President it will be my duty to

employ all proper means to promote it. The free coinage of silver in this country would defer, if not defeat, international bimetallism, and until an international agreement can be had, every interest requires us to maintain our present standard. Independent free coinage of silver at a ratio of 16 ounces of silver to 1 ounce of gold would insure the speedy contraction of the volume of our currency. It would drive at least 500,000,000 of gold dollars, which we now have, permanently from the trade of the country, at 1 greatly decrease our per capita circulation. It is not proposed by the Republican party to take from the circulating medium of the country any of the silver we now have.

On the contrary, it is proposed to keep all of the silver money now in circulation on a parity with gold by maintaining the pledge of the Government that all of it shall be equal to gold. This has been the unbroken policy of the Republican party since 1878. It has inaugurated no new policy. It will keep in circulation and as good as gold all of the silver and paper money which is now included in the currency of the country. It will maintain their parity. It will preserve their equality in the future as it has always done in the past. It will not consent to put this country on a silver basis, which would inevitably follow independent free coinage at a ratio of 16 to 1. It will oppose the expulsion of gold from our circulation.

#### FARMERS AND LABORERS SUFFER MOST.

If there is any one thing which should be free from speculation and fluctuation it is the money of a country. It ought never to be the subject of mere partisan contention. When we part with our labor, our products, or our property, we should receive in return money which is as stable and unchanging in value as the ingenuity of honest men can make it. Debasement of the currency means destruction of values. No one suffers so much from cheap money as the farmers and laborers. They are the first to feel its bad effects and the last to recover from them. This has been the uniform experience of all countries, and here, as elsewhere, the poor, and not the rich, are always the greatest sufferers from every attempt to debase our money. It would fall with alarming severity upon investments already made; upon insurance companies and their policy holders; upon savings banks and their depositors; upon building and loan associations and their members; upon the savings of thrift; upon pensioners and their families, and upon wage earners and the purchasing power of their wages.

#### UNLIMITED IRREDEEMABLE PAPER MONEY.

The silver question is not the only issue affecting our money in the pending contest. Not content with urging the free coinage of silver, its strongest champions demand that our paper money shall be issued directly by the Government of the United States. This is the Chicago Democratic declaration. The St. Louis People's declaration is that "our national money shall be issued by the General Government only, without the intervention of banks of issue, be full legal tender for the payment of all debts, public and private," and be distributed "direct to the people, and through lawful disbursements of the Government."

Thus, in addition to the free coinage of the world's silver, we are asked to enter upon an era of unlimited irredeemable paper currency. The question which was fought out from 1865 to 1879 is thus to be reopened, with all its uncertainties, and cheap-money experiments of every conceivable form foisted upon us. This indicates a most startling reactionary policy, strangely at variance with every requirement of sound finance; but the declaration shows the spirit and purpose of those who, by combined action, are contending for the control of the Government. Not satisfied with the debasement of our coin, which would inevitably follow the free coinage of silver at 16 to 1, they would still further degrade our currency and threaten the public honor by the unlimited issue of an irredeemable paper currency. A graver menace to our financial standing and credit could hardly be conceived, and every patriotic citizen should be aroused to promptly meet and effectually defeat it.

#### APPEALS TO PASSION ARE A MENACE TO OUR LIBERTIES.

It is a cause for painful regret and solicitude that an effort is being made by the use high the councils of the allied parties to divide the people of this country into classes and create distinctions among us which, in fact, do not exist and are repugnant to our form of government. These appeals to passion and prejudice are beneath the spirit and intelligence of a free people, and should be met with stern rebuke by those they are sought to influence, and I believe they will be. Every attempt to array class against class, "the classes against the masses," section against section, labor against capital, "the poor against the rich," or interest against interest in the United States is in the highest degree reprehensible. It is opposed to the national instinct and interest and should be resisted by every citizen. We are not a nation of classes, but of sturdy, free, independent, and honorable people, despising the demagogue, and never capitulating to dishonor. This ever-recurring effort endangers popular government, and is a menace to our liberties. It is not a new campaign device or party appeal. It is as old as government among men, but was never more untimely and unfortunate than now. Washington warned us against it, and Webster said in the Senate, in words which I feel are singularly appropriate at this time: "I admonish the people against the object of outcries like these. I admonish every industrious laborer of this country to be on his guard against such delusion. I tell him the attempt is to play off his passion against his interest, and to prevail on him, in the name of liberty, to destroy all the fruits of liberty."

#### PROTECTION OF SUPREME IMPORTANCE.

Another issue of supreme importance is that of protection. The peril of free silver is a menace to be feared; we are already experiencing the effect of partial free trade. The one must be averted; the other corrected. The Republican party is wedded to the doctrine of protection and was never more earnest in its support and advocacy than now. If argument were needed to strengthen its devotion to "the American system," or increase the hold of that system upon the party and people, it is found in the lesson and experience of the past three years. Men realize in their own daily lives what before was to many of them only report, history, or tradition. They have had a trial of both systems and know what each has done for them.

#### DEMANDED BY THE PUBLIC EXIGENCIES.

Washington in his Farewell Address, September 17, 1796, a hundred years ago, said:

"As a very important source of strength and security, cherish public credit. One method of preserving it is to use it as sparingly as possible, avoiding the accumulation of debt, not only by shunning occasions of expense, but by vigorous exertions in time of peace to discharge the debts which unavoidable wars may have occasioned, not ungenerously throwing upon posterity the burden which we ourselves ought to bear."

To facilitate the enforcement of the maxims which he announced he declared:

"It is essential that you should practically bear in mind that toward the payment of debts there must be revenue; that to have revenue there must be taxes; that no taxes can be devised which are not more or less inconvenient or unpleasant; that the intrinsic embarrassment inseparable from the selection of the proper objects (which is always a choice of difficulties) ought to

be a decisive motive for a candid construction of the conduct of the Government in making it, and for a spirit of acquiescence in the measures for obtaining revenue which the public exigencies may at any time dictate."

Animated by like sentiments, the people of the country must now face the conditions which beset them. "The public exigencies" demand prompt protective legislation which will avoid the accumulation of further debt by providing adequate revenues for the expenses of the Government. This is manifestly the requirement of duty. If elected President of the United States, it will be my aim to vigorously promote this object and give that ample encouragement to the occupations of the American people which, above all else, is so imperatively demanded at this juncture of our national affairs.

#### OUR CONDITION UNDER PROTECTION.

In December, 1892, President Harrison sent his last message to Congress. It was an able and exhaustive review of the condition and resources of the country. It stated our situation so accurately that I am sure it will not be amiss to recite his official and valuable testimony. "There never has been a time in our history," said he, "when work was so abundant, or when wages were so high, whether measured by the currency in which they are paid or by their power to supply the necessities and comforts of life. The general average of prices has been such as to give to agriculture a fair participation in the general prosperity. The new industrial plants established since October 6, 1890, and up to October 22, 1892, number 345, and the extensions of existing plants, 108. The new capital invested amounts to \$40,446,000, and the number of additional employees, 37,235. During the first six months of the present calendar year 135 new factories were built, of which 40 were cotton mills, 43 knitting mills, 26 woolen mills, 15 silk mills, 4 plush mills, and 2 linen mills. Of the 40 cotton mills, 21 have been built in the Southern States." This fairly describes the happy condition of the country in December, 1890. What has it been since, and what is it now?

#### OUR CONDITION EIGHT MONTHS LATER.

The messages of President Cleveland from the beginning of his second Administration to the present time abound with descriptions of the deplorable industrial and financial situation of the country. While no resort to history or official statement is required to advise us of the present condition, and that which has prevailed during the past three years, I venture to quote from President Cleveland's first message, August 8, 1893, addressed to the Fifty-third Congress, which he had called together in extraordinary session. "The existence of an alarming and extraordinary business situation," said he, "involving the welfare and prosperity of all our people, has constrained me to call together in extra session the people's representatives in Congress, to the end that through the wise and patriotic exercise of the legislative duties with which they solely are charged the present evils may be mitigated and dangers threatening the future may be averted."

"Our unfortunate financial plight is not the result of untoward events, nor of conditions related to our natural resources. Nor is it traceable to any of the afflictions which frequently check national growth and prosperity. With plentiful crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurances to business enterprises, suddenly financial distrust and fear have sprung up on every side. Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors. Surviving corporations and individuals are content to keep in hand the money they are usually anxious to loan, and those engaged in legitimate business are surprised to find that the securities they offer for loans, though heretofore satisfactory, are no longer accepted. Values supposed to be fixed are fast becoming conjectural and loss and failure have invaded every branch of business."

#### A STARTLING CHANGE IN BUSINESS CONDITIONS.

What a startling and sudden change within the short period of eight months, from December, 1892, to August, 1893! What had occurred? A change of Administration; all branches of the Government had been intrusted to the Democratic party, which was committed against the protective policy that had prevailed uninterruptedly for more than thirty-two years and brought unexampled prosperity to the country and firmly pledged to its complete overthrow and the substitution of a tariff for revenue only. The change having been decreed by the elections in November, its effects were at once anticipated and felt. We can not close our eyes to these altered conditions, nor would it be wise to exclude from contemplation and investigation the causes which produced them. They are facts which we can not as a people disregard, and we can only hope to improve our present condition by a study of their causes.

In December, 1892, we had the same currency and practically the same volume of currency that we have now. It aggregated in 1892 \$2,372,599,501; in 1893, \$2,323,000,000; in 1894, \$2,323,442,362, and in December, 1895, \$2,194,000,230. The per capita of money, too, has been practically the same during this whole period. The quality of the money has been identical—all kept equal to gold. There is nothing connected with our money, therefore, to account for this sudden and aggravated industrial change. Whatever is to be deprecated in our financial system, it must everywhere be admitted that our money has been absolutely good and has brought neither loss nor inconvenience to its holders. A depreciated currency has not existed to further vex the troubled business situation.

#### GOOD MONEY NEVER MADE TIMES HARD.

It is a mere pretense to attribute the hard times to the fact that all our currency is on a gold basis. Good money never made times hard. Those who assert that our present industrial and financial depression is the result of the gold standard have not read American history aright or been careful students of the events of recent years. We never had greater prosperity in this country in every field of employment and industry than in the busy years from 1890 to 1892, during all of which time this country was on a gold basis and employed more gold money in its fiscal and business operations than ever before. We had, too, a protective tariff under which ample revenues were collected for the Government and an accumulating surplus which was constantly applied to the payment of the public debt. Let us hold fast to that which we know is good. It is not more money we want. What we want is to put the money we already have at work. When money is employed, men are employed. Both have always been steadily and remuneratively engaged during all the years of protective-tariff legislation. When those who have money lack confidence in the stability of values and investments, they will not part with their money. Business is stagnated—the life-blood of trade is checked and congested. We can not restore public confidence by an act which would revolutionize all values, or an act which entails a deficiency in the public revenues. We can not inspire confidence by advocating repudiation or practicing dishonesty. We can not restore confidence either to the Treasury or to the people without a change in our present tariff legislation.

#### THE TARIFF OF 1894.

The only measure of a general nature that affected the Treasury and the employments of our people passed by the Fifty-third Congress was the general tariff act, which did not receive the approval of the President. Whatever virtues may be claimed for that act there is confessedly one which it

does not possess. It lacks the essential virtue of its creation—the raising of revenue sufficient to supply the needs of the Government. It has at no time provided enough revenue for such needs, but it has caused a constant deficiency in the Treasury and a steady depletion in the earnings of labor and land. It has contributed to swell our national debt more than \$32,000,000—a sum nearly as great as the debt of the Government from Washington to Lincoln, including all our foreign wars from the Revolution to the rebellion. Since its passage work at home has been diminished, prices of agricultural products have fallen, confidence has been arrested, and general business demoralization is seen on every hand.

#### THE TARIFFS OF 1890 AND 1894 CONTRASTED.

The total receipts under the tariff act of 1894 for the first twenty-two months of its enforcement, from September, 1894, to June, 1895, were \$57,615,338, and the expenditures \$40,413,351, or a deficiency of \$2,801,035. The decrease in our exports of American products and manufactures during the first fifteen months of the present tariff, as contrasted with the exports of the first fifteen months of the tariff of 1890, was \$231,353,330. The excess of exports over imports during the first fifteen months of the tariff of 1890 was \$213,972,968, but only \$59,758,633 under the first fifteen months of the tariff of 1894, a loss under the latter of \$157,214,335. The net loss in the trade balance of the United States has been \$196,983,607 during the first fifteen months' operation of the tariff of 1894, as compared with the first fifteen months of the tariff of 1890. The loss has been large, constant, and steady, at the rate of \$13,130,000 per month, or \$500,000 for every business day of the year.

#### LOSING IN BOTH DIRECTIONS.

We have either been sending too much money out of the country or getting too little in, or both. We have lost steadily in both directions. Our foreign trade has been diminished and our domestic trade has suffered incalculable loss. Does not this suggest the cause of our present depression and indicate its remedy? Confidence in home enterprises has almost wholly disappeared. Our shops are closed, or running on half time at reduced wages and small profit, if not actual loss. Our men at home are idle, and while they are idle men abroad are occupied in supplying us with goods. Our unrivaled home market for the farmer has also greatly suffered because those who constitute it—the great army of American wage earners—are without the work and wages they formerly had. If they can not earn wages they can not buy products. They can not earn if they have no employment, and when they do not earn the farmer's home market is lessened and impaired, and the loss is felt by both producer and consumer. The loss of earning power alone in this country in the past three years is sufficient to have produced our unfortunate business situation. If our labor was well employed, and employed at as remunerative wages as in 1892, in a few months every farmer in the land would feel the glad change in the increased demand for his products and in the better prices which he would receive.

#### NOT OPEN MINTS, BUT OPEN MILLS.

It is not an increase in the volume of money which is the need of the time, but an increase in the volume of business. Not an increase of coin, but an increase of confidence. Not more coinage, but a more active use of the money coined. Not open mints for the unlimited coinage of the silver of the world, but open mills for the full and unrestricted labor of American workmen. The employment of our mints for the coinage of the silver of the world would not bring the necessities and comforts of life back to our people. This will only come with the employment of the masses, and such employment is certain to follow the reestablishment of a wise protective policy which shall encourage manufacturing at home. Protection has lost none of its virtue and importance. The first duty of the Republican party, if restored to power in the country, will be the enactment of a tariff law which will raise all the money necessary to conduct the Government, secure honestly administered, and so adjusted as to give preference to home manufactures and adequate protection to home labor and the home market. We are not committed to any special schedules or rates of duty. They are and should be always subject to change to meet new conditions, but the principle upon which rates of duty are imposed remains the same. Our duties should always be high enough to measure the difference between the wages paid labor at home and in competing countries, and to adequately protect American investments and American enterprises.

#### OUR FARMERS AND THE TARIFF.

Our farmers have been hurt by the changes in our tariff legislation as severely as our laborers and manufacturers, badly as they have suffered. The Republican platform wisely declares in favor of such encouragement to our sugar interests "as will lead to the production on American soil of all the sugar which the American people use." It promises to our wool and woolen interests "the most ample protection," a guaranty that ought to commend itself to every patriotic citizen. Never was a more grievous wrong done the farmers of our country than that so unjustly inflicted during the past three years upon the woolgrowers of America. Although among our most industrious and useful citizens, their interests have been practically destroyed and our woolen manufactures involved in similar disaster. At no time within the past thirty-six years, and perhaps never during any previous period, have so many of our woolen factories been suspended as now. The Republican party can be relied upon to correct these great wrongs, if again intrusted with the control of Congress.

#### RECIPROCITY AND ITS EFFECTS.

Another declaration of the Republican platform that has ray most cordial support is that which favors reciprocity. The splendid results of the reciprocity arrangements that were made under authority of the tariff law of 1890 are striking and suggestive. The brief period they were in force, in most cases only three years, was not long enough to thoroughly test their great value, but sufficient was shown by the trial to conclusively demonstrate the importance and the wisdom of their adoption. In 1892 the export trade of the United States attained the highest point in our history. The aggregate of our exports that year reached the immense sum of \$1,000,278,148, a sum greater by \$100,000,000 than the exports of any previous year. In 1893, owing to the threat of unfriendly tariff legislation, the total dropped to \$847,965,194. Our exports of domestic merchandise decreased \$189,000,000, but reciprocity still secured us a large trade in Central and South America and a larger trade with the West Indies than we had ever before enjoyed. The increase of trade with the countries with which we had reciprocity agreements was \$5,500,515 over our trade in 1892 and \$16,440,721 over our trade in 1891. The only countries with which the United States traded that showed increased exports in 1893 were practically those with which we had reciprocity arrangements.

The reciprocity treaty between this country and Spain, touching the markets of Cuba and Puerto Rico, was announced September 1, 1891. The growth of our trade with Cuba was phenomenal. In 1891 we sold that country but 114,441 barrels of flour; in 1892, 366,175; in 1893, 616,496, and in 1894, 662,243. Here was a growth of nearly 500 per cent, while our exportations of flour to Cuba for the year ending June 30, 1895—the year following the repeal of the reciprocity treaty—fell to 379,856 barrels, a loss of nearly half our trade with that country. The value of our total exports of merchandise from the United States to Cuba in 1891—the year prior to the negotiation of the reciprocity treaty—was \$12,224,888; in 1892, \$17,963,579; in 1893, \$24,157,098; in 1894,



\$50,125,021, but in 1895, after the annulment of the reciprocity agreement, it fell to only \$12,867,661. Many similar examples might be given of our increased trade under reciprocity with other countries, but enough has been shown of the efficacy of the legislation of 1890 to justify the speedy restoration of its reciprocity provisions. In my judgment, Congress should immediately restore the reciprocity sections of the old law, with such amendments, if any, as time and experience sanction as wise and proper. The underlying principle of this legislation must, however, be strictly observed. It is to afford new markets for our surplus agricultural and manufactured products without loss to the American laborer of a single day's work that he might otherwise procure.

#### FOREIGN IMMIGRATION.

The declaration of the platform touching foreign immigration is one of peculiar importance at this time, when our own laboring people are in such great distress. I am in hearty sympathy with the present legislation restricting foreign immigration, and favor such extension of the laws as will secure the United States from invasion by the debased and criminal classes of the Old World. While we adhere to the public policy under which our country has received great bodies of honest, industrious citizens, who have added to the wealth, progress, and power of the country, and while we welcome to our shores the well-disposed and industrious immigrant, who contributes by his energy and intelligence to the cause of free government, we want no immigrants who do not seek our shores to become citizens. We should permit none to participate in the advantages of our civilization who do not sympathize with our aims and form of government. We should receive none who come to make war upon our institutions and profit by public disquiet and turmoil. Against all such our gates must be tightly closed.

#### OUR SOLDIERS AND SAILORS.

The soldiers and sailors of the Union should neither be neglected nor forgotten. The Government which they served so well must not make their lives or condition harder by treating them as suppliants for relief in old age or distress, nor regard with disdain or contempt the earnest interest one comrade naturally manifests in the welfare of another. Doubtless there have been pension abuses and frauds in the numerous claims allowed by the Government, but the policy governing the administration of the Pension Bureau must always be fair and liberal. No deserving applicant should ever suffer because of a wrong perpetrated by or for another. Our soldiers and sailors gave the Government the best they had. They freely offered health, strength, limb, and life to save the country in the time of its greatest peril, and the Government must honor them in their need, as in their service, with the respect and gratitude due to brave, noble, and self-sacrificing men who are justly entitled to generous aid in their increasing necessities.

#### OUR MERCHANT MARINE AND NAVY.

The declaration of the Republican platform in favor of the upbuilding of our merchant marine has my hearty approval. The policy of discriminating duties in favor of our shipping which prevailed in the early years of our history should be again promptly adopted by Congress and vigorously supported until our prestige and supremacy on the seas are fully attained. We should no longer contribute directly or indirectly to the maintenance of the colossal marine of foreign countries, but provide an efficient and complete marine of our own. Now that the American Navy is assuming a position commensurate with our importance as a nation, a policy I am glad to observe the Republican platform strongly indorses, we must supplement it with a merchant marine that will give us the advantages in both our coastwise and foreign trade that we ought naturally and properly to enjoy. It should be at once a matter of public policy and national pride to repossess this immense and prosperous trade.

#### CIVIL-SERVICE REFORM.

The pledge of the Republican national convention that our civil-service laws "shall be sustained and thoroughly and honestly enforced, and extended wherever practicable," is in keeping with the position of the party for the past twenty-four years, and will be faithfully observed. Our opponents decry these reforms. They appear willing to abandon all the advantages gained, after so many years' agitation and effort. They encourage a return to methods of party favoritism, which both parties have often denounced, that experience has condemned, and that the people have repeatedly disapproved. The Republican party earnestly opposes this reactionary and entirely unjustifiable policy. It will take no backward step upon the question. It will seek to improve, but never degrade, the public service.

#### OUR FINANCIAL INTEGRITY MUST BE DEFENDED.

There are other important and timely declarations in the platform which I can not here discuss. I must content myself with saying that they have my approval. If, as Republicans, we have lately addressed our attention, with what may seem great stress and earnestness, to the new and unexpected assault upon the financial integrity of the Government, we have done it because the menace is so grave as to demand especial consideration, and because we are convinced that if the people are aroused to the true understanding and meaning of this silver and inflation movement they will avert the danger. In doing this we feel that we render the best service possible to the country, and we appeal to the intelligence, conscience, and patriotism of the people, irrespective of party or section, for their earnest support.

#### FALSE ISSUES MUST BE BOLDLY MET.

We avoid no issues. We meet the sudden, dangerous, and revolutionary assault upon law and order, and upon those to whom is confided by the Constitution and laws the authority to uphold and maintain them, which our opponents have made, with the same courage that we have faced every emergency since our organization as a party, more than forty years ago. Government by law must first be assured; everything else can wait. The spirit of lawlessness must be extinguished by the fires of an unselfish and lofty patriotism. Every attack upon the public faith and every suggestion of the repudiation of debts, public or private, must be rebuked by all men who believe that honesty is the best policy, or who love their country and would preserve unsullied its national honor.

#### SECTIONALISM ALMOST OBLITERATED.

The country is to be congratulated upon the almost total obliteration of the sectional lines which for so many years marked the division of the United States into slave and free territory, and finally threatened its partition into two separate governments by the dread ordeal of civil war. The era of reconciliation, so long and earnestly desired by General Grant and many other great leaders, North and South, has happily come, and the feeling of distrust and hostility between the sections is everywhere vanishing, let us hope never to return. Nothing is better calculated to give strength to the nation at home, increase our power and influence abroad, and add to the permanency and security of our free institutions than the restoration of cordial relations between the people of all sections and parts of our beloved country. If called by the suffrages of the people to assume the duties of the high office of President of the United States, I shall count it a privilege to aid, even in the slightest degree, the promotion of the spirit of fraternal regard which should animate and govern the citizens of every section, State, or part of the Republic. After the lapse of a century since its utterance, let

us, at length, and forever hereafter, heed the admonition of Washington: "There should be no North, no South, no East, no West—but a common country." It shall be my constant aim to improve every opportunity to advance the cause of good government by promoting that spirit of forbearance and justice which is so essential to our prosperity and happiness by joining most heartily in all proper efforts to restore the relations of brotherly respect and affection which in our early history characterized all the people of all the States. I would be glad to contribute toward binding in indivisible union the different divisions of the country, which, indeed, now "have every inducement of sympathy and interest" to weld them together more strongly than ever. I would rejoice to see demonstrated to the world that the North and the South and the East and the West are not separated, or in danger of becoming separated, because of sectional or party differences. The war is long since over; "we are not enemies, but friends," and as friends we will faithfully and cordially cooperate, under the approving smile of Him who has thus far so signally sustained and guided us, to preserve inviolate our country's name and honor, its peace and good order, and its continued ascendancy among the greatest governments on earth.

Very respectfully, your obedient servant,

WILLIAM MCKINLEY.

These be golden words to-day. They point the people of the country to the pledges redeemed; they point the people of the country to hopes in the future; they call loudly upon Republicans to stand together and vindicate the man who has been faithful to his party pledges.

#### The Tariff.

#### REMARKS

OF

HON. JOHN J. LENTZ,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897,

On the report of the committee of conference on the disagreeing votes of the two houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. LENTZ said:

Mr. SPEAKER: I desire to place in the CONGRESSIONAL RECORD a protest against the proposed duty on hides received by me from leading manufacturers, wholesale houses, and business men of the capital district of Ohio—a constituency I have the honor to represent on this floor. Over their own signatures these representatives of large business interests charge that the duty levied on hides by the terms of the Dingley bill is placed there for the sole benefit of the "great beef packers," and that "this duty must be paid by the consumers of leather."

Let my colleague [Mr. GROSVENOR], whose vote will be cast in opposition to the protests of these leading business men of his own State—and I might fairly say of his own party—let the gentleman from Ohio [Mr. GROSVENOR], who is a member of the committee responsible for this measure, and who has repeatedly stated that "the foreigner pays the tax," explain to the signers of this petition—men engaged in the manufacture of leather, buggies, harness, boots and shoes—how grievously they err in making a statement that "the increased cost of domestic hides, equal to the duty, must be paid by the consumer"—to whom?—"to the great beef packers," the Swifts and the Armours, as interest probably on the money contributed last fall by them to defeat and thwart the will of the people.

It is not my purpose at this time to enter upon a discussion for or against this tariff on hides. I merely desire to go on record as a faithful representative, to the extent of my humble capacity, of the people of the capital district of President McKinley's own State. This petition, signed by many of the most influential business men of my own district, is the only expression I have received on the subject of hides from my constituents. I have all along contended, and still contend, that the only just tariff bill that can be framed, or ever will be framed, must be framed after hearing from each and all of the Congressional districts of the Union, rather than at star-chamber sessions of a few men closeted at the Arlington Hotel, where no one could gain access to them unless he brought credentials from the sugar trust or some other gigantic combine. The petition to which I refer is as follows:

COLUMBUS, OHIO, June 12, 1897.

DEAR SIR: Your great constituency—all the population—are consumers of leather.

The Senate committee's amendment to the Dingley tariff bill places a duty of 14 cents per pound, equal to 15 per cent, on imported hides (50 per cent greater than was required by the exigencies of the war). This will stop or so greatly curtail importations that little revenue can result to the Government. The increased cost of domestic hides, equal to the duty, must be paid by the consumers of leather for the benefit of the great beef packers and other butchers.

The rapidly increasing export business of over \$30,000,000 per annum in leather and leather goods, secured through patient labor and great sacrifices during the twenty-five years that hides have remained undisturbed on the

free list, will be destroyed. One-half of the gross amount of exports of leather and leather goods is represented by well-paid American labor, which would be released to compete for employment in other industries.

Please use your great influence to defeat this unjust proposition.

Respectfully,

Edwin B. Robbins, Wm. Burdell, Jr., C. J. Krag, W. D. Brickell, Daily Dispatch; The Columbus Rubber and Belting Company, per F. N. Brown; Coe & Spencer, F. & R. Lazarus & Co., J. H. & F. A. Sells; The Columbus Carriage Manufacturing Company, by Wm. S. S. Rodgers; The Peters & Herron Dash Company, by Chas. M. Peters, president; The Columbus Phaeton Company; The Climax Buggy Company, by C. H. Lott; The Wolfe Shoe Company; Buckeye Buggy Company, by F. L. Hughes, vice-president; The Scioto Buggy Company, per C. A. Huggins, secretary; Columbus Vehicle Company, by John M. Clark, president; W. D. Park, John Hayes & Co.

Hon. JOHN J. LENTZ, Washington, D. C.

My constituents are not alone in their view of this tariff on hides, and in support of this proposition, and in support of the petitioners from my district, I submit what a Republican member of this House from the Thirteenth district of Pennsylvania [Mr. BRUMM] wrote over his own signature for the Philadelphia Ledger on the 23d of last April:

What farmer would raise one more head of cattle because there is a duty of 1 or 2 cents a pound on hides? In fact, the hide is but an incident and not an object of production. The farmer gets as much a pound for the hoof, the horn, the hair, and the excrement in the bullock as he does for the hide or for the choicest tenderloin cut, for the farmer sells the whole bullock in gross by weight; yet all parts of the bullock are useful articles of commerce, each having its separate and distinct value. If a separate duty were to be placed on the hoof or the horn or the hair, the farmer would not get the benefit of that, no more than he would get the benefit of a duty placed on hides; the only person to be benefited by such a duty would be the great trusts, such as Swift & Co., Armour & Co., and the large abattoirs.

The farmer who raises the cattle hardly butchers more than one or two of the oxen in a year for himself; the rest he sells, which shows the fallacy of this cry in favor of protecting the farmer by placing a duty on hides, and, as before stated, if this duty will not increase the production of hides, it will make the 70,000,000 people who use leather pay more for it, and the abattoir trust and monopoly get all the benefit of it.

#### Civil Service Reform Run Mad.

The Cleveland Administration, Backed by an Aggressive Organization of Spillmen, has Stolen the Livery of Civil Service Reform to Serve the Devil of Partisanship in—The Young Men of the Country Ignored—A Trust in Office Formed—The Spirit and Letter of the Law Violated—The Deliberate Purpose of a Bureau to Build up an Office-holding Class in the United States—The People to be Excluded.

#### SPEECH

OF

HON. CHARLES H. GROSVENOR,

OF OHIO,

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

The House having under consideration a conference report upon the deficiency appropriation bill—

Mr. GROSVENOR said:

Mr. SPEAKER: I propose to call the attention of the House and so many of the people of the country as may see fit to consider my remarks to some of the peculiar phases and developments and aggressions and violations of law which have tarnished the name of free government under the specious, false, and misleading cry of civil service reform. I wish to lay down as a foundation for my remarks, and as a suggestion to the gentlemen who are studying this phase of American politics in the light of past history, some strange and yet exceedingly interesting coincidences in the declarations of some of the great men of our country.

More men have based their political positions upon certain great questions upon the declarations of George Washington than upon the declarations of all the other statesmen of the United States put together. We are constantly reminded of his wisdom and sagacity and far-sightedness in the matter of our foreign relations. His retirement from the Army has become a classic, is transmitted to the American boy and girl in the school-book literature of the times; and if an American citizen ventures upon a line of policy that it can be found is different in effect and purpose and result from some remark of George Washington, he is at once gently informed that he is un-American and going astray, and, as a rule, he turns about and wheels into line with the understanding that he must be wrong, for Washington was on the other side.

Very recently one of the most distinguished men of the United States contributed a most beautiful, most eloquent, and most appropriate eulogium to the memory of George Washington. I refer to the very eloquent speech of the President of the United States, delivered in Philadelphia, on Saturday, the 15th day of May last. In that speech the President spoke as follows:

Masterful as were his military campaigns, his civil administration commands equal admiration. His foresight was marvelous; his conception of the philosophy of government, his insistence upon the necessity of education, morality, and enlightened citizenship to the progress and permanence of the

Republic can not be contemplated even at this period without filling us with astonishment at the breadth of his comprehension and the sweep of his vision.

The people of the United States and the people of the civilized world, polled upon the question, "Shall this declaration of the President of the United States be approved or disapproved?" would vote by a majority of ninety-nine out of a hundred that the language of our distinguished President was just and truthful.

On the 27th of September, 1795, General Washington wrote to Timothy Pickering, Secretary of War, a private letter, which has since appeared in an authentic form in the Writings of George Washington, by Jared Sparks, Volume XI, page 74. The letter was written in regard to an applicant for office, and General Washington declined to appoint him because he was not in accord and sympathy politically with the national administration of that day. Closing his letter he uses this language:

I shall not, whilst I have the honor to administer the Government, bring a man into any office of consequence knowingly whose political tenets are adverse to the measures which the General Government are pursuing; for this, in my opinion, would be a sort of political suicide. That it would embarrass its movements is most certain. But of two men equally well affected to the true interests of their country, of equal abilities, and equally disposed to lend their support, it is the part of prudence to give the preference to him against whom the least clamor can be excited. For such a one my inquiries have been made and are still making. How far I shall succeed is at this moment problematical.

Here was a declaration of Washington, which commends itself instantly to the sound judgment of every intelligent man. And now, what have we lived to see? What has been brought upon us? There is to-day in this great city of Washington not one single bureau in the hands of the friends of the current Administration. There is not an assistant secretary or head of a great bureau who is not compelled to send out his most confidential thoughts through the medium of his political enemies, and to-day, in the confidential relations existing between the President and his Cabinet and the men who are managing his Administration and the public all along the line, stands an array of unfriendly sentinels wishing, hoping, and praying for the overthrow of the Administration, and themselves possessed of every secret move and thought of the Administration.

You can not secure a statistical statement of a fact or a series of facts reflecting upon the condition of the country, its commerce, its imports, its exports, that does not come through the medium at some point along the line of some person or persons who hate the Administration and are looking forward with hope and joy to its ultimate overthrow.

The contrast between this day and the day of Washington is wonderful, and Washington's declaration that the conduct of the Administration of to-day in retaining in office these men in confidential positions is exactly what he said would be, in his opinion, "a sort of political suicide." Washington spoke of it as the deliberate act of an Administration, and little did he ever dream that the hour would come in American history when the President would have been forced by law to yield the appointing power, given him by the terms of the Constitution, to a bureau independent of the President, and whose orders, if he shall violate them, will lay him liable to indictment and impeachment.

Washington said that the appointment of such men to office "of consequence" would embarrass the movements of an Administration. There is not one movement that this Administration can make, great or small, significant or insignificant, that is not envied by this limitation upon the President's power and authority, which in spirit and in practical effect is a repeal of the Constitution of the United States.

Did anything more humiliating to the pride and spirit of an American citizen ever occur than the visitation to the White House of a trio of the enemies of the Administration, two of whom at least denounced him bitterly and scornfully during the whole of the great campaign of 1896, now fawning at the feet of power and demanding in the name of the law of the United States that the President of the United States shall not appoint a messenger or an assistant messenger to guard the archives of his own executive office without the consent and approval of this bureau of his malignant enemies?

Following the proceedings of the last campaign, tell me who was viler in the assaults made upon this Administration than the representatives of civil-service reform, who are to-day crouching at the feet of power, first, asking for favors to themselves in the way of ambassadorial appointments, and, second, menacing the President if he even dare to change a letter of the order to which I shall shortly refer. Follow the bureau back in its personnel to the lair from which it sprang, and you find the promoter of the organization Logan Carlisle, whose name will be forever in American politics, significant of plunder and debauchery of public office, and a fitting representative of this power which swept the Treasury clean of Republicans and Republican soldiers and filled it with Democrats and Confederate soldiers; brought from his own State and established here the man who to-day dares to dictate to the President of the United States who shall be his stenographer and his subordinate secretaries.



## THE ATTITUDE OF THE OPPONENTS OF THE RECENT ADMINISTRATION OF THIS LAW.

There has never been a cool, deliberate, dispassionate, and candid and just argument made by these men why this law should be upheld and vindicated. They have never yet dared touch the true test of the efficiency or inefficiency, the beneficent or nonbeneficent character of the administration of this law in the United States. I propose that they shall have an opportunity now. But what they have done was to denounce the men who opposed the greed of this crowd by applying to them vile epithets and disrespectful and unfair suggestions.

Let a man dare in the Congress of the United States point out the infamy of this "sweep" of the public places and he is called a spoilsman and is caricatured in the merchantable illustrated papers of the country as a plunderer of the Treasury and as a promoter of debauchery of public office. The publications that have swung from pole to pole, as the exigencies of patronage and personal hatred have operated, have published columns of abuse of men who, as independent in thought and action, have dared to question the propriety of the miserable administration of the Departments during the last Administration of the General Government. No word of argument, no word of illustration, has come from these people.

Present your statement of facts candidly and dispassionately as you please, point out the evil tendencies of this bureau, and point out its corrupt and weak administration, and the answer is, You are a brutal spoilsman. Before I get through I will attempt to show that the greatest brutality of spoilsmanship that ever disgraced the American people was under the head and cover and mask of civil-service reform by a technical and absolutely accurate following of this law and the orders of its promulgation and enforcement by the recent Administration, but I do not enter upon this point at this time. I want to state now my own position and the position of the men who stand with me—ninety-five out of every one hundred voting members of the Republican party in the United States of America.

First, I would limit appointments in the ordinary places and offices of the administration of the Government, and I would do this because I condemn the foundation upon which, and every step taken under it, whereby a class of officeholders is being created and perpetuated in the United States. "We, the people of the United States," in order to secure a government that would be satisfactory to them, undertook to be the Government of the people; and Abraham Lincoln said that the war of the rebellion on our side was prosecuted to prevent the Government "of the people, for the people, and by the people" from perishing from the earth. The general idea, then, at each of these great epochs of the Government was to continue and uphold a government "by the people;" not in the name of the people, not alone for the people, not through an agency to be constituted by the Executive of the Government, but by the people themselves.

Now, Mr. Speaker, I say that the fundamental idea, which it is impossible to eliminate from all these discussions, is this: that all the people of the United States—that is to say, the voters, the electors—who stand absolutely equal before the law, with equal political rights, and with equal duty and responsibility and opportunity, political equality that bars access by 69,900,000 of the people of the United States to more than 200,000 offices of the United States is a sham, a fraud, a delusion.

Start now with the proposition that every man in the United States holding a position and shielded by the Civil Service Commission is a life appointment, and you have a class separated from the common people of the country, placed upon a plane where they are exclusive, so far as political immunities and emoluments are concerned, for all time, measured by their lives, and then you have sapped the fundamental principle of a government by the people.

Why, Mr. Speaker, in most of the States of this Union the offices of importance to the taxpayers are limited in their occupation by one man to a term of years. The sheriffs, the treasurers, the men holding financial relations to the taxpayers of the country, the mayors of the great cities, many of the other and higher officials of the States, can only hold their offices for a limited time continuously, and this because of the fundamental idea that underlies the substructure of American government that there shall be no fastening of a certain class of men upon the public offices of the country, to the exclusion of the masses.

We talk about trusts and combines. The greatest trust on earth to-day, the trust that causes the expenditure of a hundred million dollars, is the civil-service trust of the United States of America. It is worse than any sugar trust or Standard Oil trust, if such things exist anywhere, for there is no trust in commercial procedure, no trust in financial operations, no trust in industrial relations that can not be broken by like industries; but here is a trust protected, it is said, by statistics, but which I deny, that takes into its embrace a class, a certain class, as I shall show later on, formed upon false principles of economy, and then the barrier of an insurmountable trust combination is thrown about it.

Let no man talk against trusts and combines in this House who

will shut his mouth and supinely sit down under the growth and development of this monstrosity. But I would provide by law that merit should be the touchstone of admission to public office. I would pass a law that would provide, in the first place, that no man should be considered for an office who did not furnish the appointing power with absolute and unqualified evidence of good moral character and distinguished fitness for public office. Before I get through I will show you that this civil-service law, as now administered, is utterly incompetent to work out that result.

What is the meaning of the word "merit?" It means, as defined in the Century Dictionary, "that which one deserves, desert (good or bad); also a ground of desert (service, kindness, benefit, or fault, blame, demerit), worth, value, importance."

I will try to show that if merit as applied to the appointments to office means good merit, good desert, then the recent administration of this law has been upon the merit system; but if it means good merit, good conduct, good action, proper fitness, and all that, I will try to show that the word "merit" does not appear in a vast majority of cases to the men who have come into the civil service under the ordinary merit system. But I was talking about what I would do.

I would have established in every department of this Government a system of examination so that when the man came and presented himself and asked for an appointment, if an appointment was conferred upon him, before he should take his place, or office or position, he should be examined by an examination so rigid as to bar the possibility of an inefficient appointment, but the examination should not be competitive with somebody else, for the very suggestion is the foundation stone upon which the whole failure of this machinery has been erected. It should be fitness for the place to which he aspires.

Now, let us see what has happened. The man has come there, come to the appointing power, which need be somebody. Who shall it be? Who better than the Representative from his own Congressional district? There should be furnished to the appointing power, as I have already said, an absolute assurance of good character, good habits, good morals, pleasing address, good tendencies in the estimation of somebody entitled to respect and confidence. He should be a friend of the current Administration. Then let him be subjected to the test which I have already mentioned, not whether he is superior to anybody else in the details of his examination, but whether, with his proof of good character and good morals, he shows adaptation and peculiar fitness for the business to which he is to be detailed.

Then let him be appointed, and appointed for a term of years, and when that term of years has expired give the appointing power the authority, if it is deemed wise and expedient, to retain him if it believes, or if they believe, that the best interests of the Government demand his retention; if not, let him go home with his experience and his emoluments, and he will be a better citizen than though he had participated in the Government and let some other young man come and take his place, appointed in the same way.

Now, then, how is this to be gotten at? Each and every Congressional district in the United States of America has an equal right to have a just and fair apportionment of the emoluments of office made to each district. I speak now of the minor appointments in the various places of the Government. I am not tenacious as to who shall be the recommending power from the various districts. There is in the United States to-day an exhibition of the operation of the merit system based upon substantially the same grounds to which I have already adverted—I refer to the Naval Academy at Annapolis and the Military Academy at West Point.

How do we create these men who are to command our Army and Navy in the future? We do it by the very system that I am in favor of. The cadets of these two great institutions are apportioned to the various States and Territories according to the Congressional Districts of the United States. The merit of the young man is assured by the certificate of the Congressman who nominates him; and so far as the nomination is concerned, it is final. His merit up to that date is assured. That is to say, that he has merit is assured.

It may not be that the Congressman has judged rightly as to the future examination of the young man, but, upon the mere statement of the Congressman, he holds the right to an examination to fill a vacancy that has been created by the operation of law, and he takes his position to be examined—to be examined in the branches of education which he is to pursue in the future; and if he is admitted, he is told and he understands, it comes to him, that no Congressional interference can benefit him, no wealth of parentage, no distinction of lineage shall benefit him. The son of the President must tread the pathway of the son of the Irish laborer. The son of Ulysses S. Grant walked in the same pathway and was subjected to the same tests as the son of John Sheridan, the old Irishman of Ohio, and they walked their pathways to distinction. But it was along the line of merit.

Thus would I administer the civil service of the Government.

Let the young man come upon the nomination of some suitable authority. Let him be nominated with the understanding that he is a man of soundness of health, soundness of mind, soundness of morals, and a desirable young man for the place; and then let him understand that the future of his term is to be a struggle for excellence, and that if he does not meet the full requirements of his place he will go home, and that his departure will be upon the notification of his removal. I scorn a condition that says that a young man or an old man shall not be removed from a public position under the Government only upon charges and a trial.

Let us see how that will work: A man has worked his way in—I will show you after a while how successful bad men have been in getting into places under this Government under civil-service regulations—and he can not be gotten rid of except by charges and a trial. The Departments would be clogged to overflowing with bad men, or there would be a hundred courts-martial going on every day.

Whenever you adopt a system that says that the employee of a great bureau of the Government shall be fastened in because of a percentage that he has gained in an examination, and shall not be removed except upon charges, and shall have a hearing, you have simply made a political babble out of the civil service of the United States Government; for if the Secretary of the Treasury is dissatisfied with the conduct and the work of an employee and wants to get rid of him he must file charges and he must open the door to the defendant, with lawyers and witnesses, and there must be a hearing and the weight of evidence must be against him, while every foundation stone of discipline and improvement of administration points to the fact that the head of the Department is the ruler of the Department and the people of the United States look to him for efficient conduct of his office, and he must be supreme in the details of those who are to administer it; and when you fall one hair short of that, you have simply got a town meeting with a babbling condition that no man can measure the horrors of. My proposition to have a tenure in these offices would relieve the Government of the horrible incubus of inefficient clerks and inefficient employees.

If you are going to try a man for his efficiency before you can remove him, would it not be a pitiable condition for the Secretary of the Interior to file charges that an employee ought to be removed because his mind is growing weak, because he is too old, because he is not active enough, and forthwith there is an issue of fact, pleadings in fact are filed or understood; a motion is filed that charges are not specific, then a demurrer is filed, and an amendment having again been made, an issue of fact is joined by a denial, and if this man has any right or any hearing he has a right to a full trial and a full hearing, and he has a right under the great constitutional provision to be heard by himself or by his counsel, and he has something to say about the tribunal that he is to be tried in. Then doctors are to be called and the mental condition of the man is to be described, and finally the Secretary of the Interior is to be defeated by the judgment that he is wrong in his charges, or else the man is to go forth to the world guilty of all the charges that are found against him. Oh, horror of horrors, what a condition!

Already we have decisions on the subject of the operation of this significant enactment. We have a judge, very eminent, very distinguished, learned, and capable who has decided that which commonplace, ordinary lawyers would consider fairly good law that when a United States marshal or collector of internal revenue goes out of office the deputies under him, that is, the agents appointed by him cease to have official existence. This seemed to be a reasonable view, but we now have some "crown" law, and we have discovered that another judge of a United States court has decided that the mere little circumstance of the principal going out of office does not in the smallest degree affect the agent, and that the deputies appointed by the marshals and collectors of internal revenue bloom on perpetually, outlive the principals and the successors of the principals, thus justifying my statement that this law in its operation is an attempt to establish an official class in this country.

Adopt the four-year rule or the six or eight year rule and when the young man has reached that point he goes forth with an honorable discharge and with the wisdom gained, and he goes home to his people with pride that he has had a hand in the Administration, in the running of the Administration, and with pride that he has come home with a certificate of good character. There would be no curse of the system of perpetual tenure as now found in England, and which it is sought to introduce in this country—a system of pensions under a civil list.

There, under a government that is of the people, for the people, and by the people to some extent, the employees of the government hold life tenure, but the government sees fit, without any trial or trial judges—oh, the sham of such a procedure!—to remove the individual and to place him upon a pension list, and the people of Great Britain are taxed annually and hourly to pay that man a stipend as long as he lives. Will we endure that in this country? Can we endure it? Dare any political power to assume

such an obligation? No political party will ever establish the theory of perpetual tenure of office without the power of removal and yet not attach to that enactment a system of pensions.

There is not a government on earth that has a system such as is sought to be created in this country that has not attached a civil pension list, and the evidence of the necessity is found when the chairman of the Civil Service Committee of this House solemnly introduced into this body a bill creating a civil pension list. He is right about it. If this system is to be kept up and perpetual appointments are to be made and a system of holding office in perpetuity is to be established, then humanity dictates that there shall be a civil pension list.

Let us see one party inaugurate it. Let us see one Congressman in the United States advise it. Let us see one county convention declare in favor of it, and then will the true inwardness of this system be laid bare to the people of this country.

I never knowingly recommended an unworthy man for office, and in this connection I will state that in the beginning of the Harrison Administration in 1889, I recommended the reinstatement of six Republicans who had been removed by the Cleveland Administration, and they were reinstated; and I recommended, without competitive examination, six young men to be appointed, and they were appointed. Of the twelve men thus entering the ranks of the service in 1889 not one of them disgraced himself, and not one of them was retired for failure to properly perform the duties of his respective position. I state this not to boast, but to present a contrast later on as to the workings of the civil-service law in the matter of the merit department.

There is no man in the world more zealous in the right discharge of his duty in this behalf than is the fair-minded, upright, conscientious Congressman. He has the eyes of 175,000 people in his own district leveled upon him in the discharge of any duty of this character that he may render, and he knows that in the selection of the few who may hold office from his Congressional district there will be heartburnings that can only be counteracted by a faithful discharge of his duty, and it is the good record of the men he appoints that he looks forward to for vindication and justification.

So, Mr. Speaker, the specious cry that we are spoilsmen will not much longer humbug the American people. We are not spoilsmen, but the men who condemn this law are clear-sighted, brave-hearted American citizens, ready and willing to sacrifice every position, if need be, for the vindication of what they believe to be right. It would be easier for the friends of this reform to go quietly about it, see the interests of their constituents sacrificed, see the growing cancer grow and spread, and quietly acquiesce in this unfortunate domination. It would be vastly easier for them to do so.

#### ANOTHER REFERENCE TO WASHINGTON.

Referring again to the statement of George Washington that it would be a sort of "political suicide" to appoint men to office that were enemies to the wants of the Administration, I want to call attention to some of the recent publications of some of the Departments in Washington. The administration of the General Government is to-day in the hands of the Republican party, and the responsibility of the Government is placed upon it. Every Republican in the United States of America has an interest in the success of the Administration of William McKinley.

Every Republican of the United States is jealous of every suggestion and intimation that goes to build up or destroy the influence of his Administration, and yet we have had during the present session of this Congress answer after answer coming from the various responsible Departments and bureaus of this Government which were so toned and shaped and colored in the interest of the last Administration and of the Democratic party, and so shaped and toned and colored as against the platform and principles of the Republican party as to be powerful campaign documents to be used this year in the very State of the President's home, and for the purpose of rebuke and overthrow of his Administration; and they come forth with the sanction of the men kept in office and held in power by the devotion of the Administration to the platform of his party and the sentiment of the country. But that is not all.

Let us see what we have. We are appointing collectors of internal revenue, and they in turn are to have, it appears—not to appoint—deputies, who are to go forth and transact business in their names, collect money due by special tax upon saloons and tobacco and all the various sources of revenue all over the country which goes into the Treasury; and yet the appointees of a former Administration—a Democratic Administration—bitterly opposed and hostile to the success of this Administration, are to carry on this whole business, while the collector, who has given an enormous bond for the safe and judicious administration of his office, can not even control the men who are to collect all this money.

The men charged with the duty of paying out something like \$135,000,000 to the pensioners of the country can not appoint or remove the men who sign their checks. They have given enormous bonds for the honest disbursement of the millions that come into



their hands, and yet the clerks who sign their names, and the agents who draw their money and imperil their bondsmen are men who have come to this Administration from a former Administration, enemies of this Administration, and willing to see a scandal, not that they are dishonest men, but quite willing to see a failure.

I have deemed it proper in this connection to introduce into this address a letter written on the 1st day of last March by the distinguished gentleman who has had the honor to hold the office of pension pay agent in the city of Washington during all the Administrations from General Arthur down to the present time. I do it because I will not make one statement of fact in this connection that I do not or can not prove by absolute proof.

All that I have said in regard to the horror and the outrage of these proceedings is more than justified in proof by this letter of Colonel Willson, and I point to his letter to show not only that, but that the whole system here of administration under the Cleveland Administration had become a great three-card monte game, by which favorites could be put in and others turned out, and all sorts of manipulations practiced in utter violation and disregard of law. Did this bureau sit by calmly while all this outrage was being perpetrated and not know of it? Were they ignorant of the manipulations described by Colonel Willson? Or, if they were advised, were they guilty of neglect of duty? Or is the system such that it can not be administered? I will put these statements in a concise form later on:

UNITED STATES PENSION AGENCY,  
Washington, D. C., March 1, 1897.

DEAR SIR: In connection with my reference to civil-service rules as applied to the pension agency clerks, in letter of this date, pertaining to the proposed consolidation of pension agencies, permit me to call your attention to the circumstances under which such rules were applied, and to what extent they have been evaded.

There are borne upon the rolls of the eighteen United States pension agencies 970,000 pensioners, to whom the pension agents disburse annually \$140,000,000. To protect the Government against loss, most of these agents give a bond of \$300,000. To assist these officials in the discharge of their duties, Congress appropriates \$460,000 annually for the employment of about 500 clerks, none of whom are under bond. The appointment of these clerks, under the law, rested with the agents prior to civil-service rules being applied to the agencies.

A clause in the last annual pension appropriation bill, making appropriation for the salaries of agency clerks, reads as follows:

"For clerk hire, \$450,000: *Provided*, That the amount of clerk hire at each agency shall be apportioned as nearly as practicable in proportion to the number of pensioners paid at each agency, and such salaries shall be subject to the approval of the Secretary of the Interior."

The report of the Commissioner of Pensions for the last fiscal year shows that the agency at New York City, with 52,998 pensioners on its rolls, was apportioned \$36,148.01 for clerk hire, while the agency at Columbus, Ohio, with 104,492 pensioners, received \$36,079.99. Topeka agency, with 105,041 pensioners, received \$37,134.08, while Philadelphia agency, with 58,656 pensioners, received \$31,945.17. Des Moines agency, with 58,668 pensioners, was only given \$24,612.02, and Milwaukee agency, with 59,974 pensioners, is given only \$19,653. When some of the agencies made large personal payments by checks there was some justice in giving those agencies an additional allowance on that account, but now that such payments are no longer made, there is no valid reason why the intent of Congress should not be strictly enforced.

Under the act of 1891, giving the Secretary of the Interior authority to approve the salaries paid to agency clerks, he, in 1896, for the first time (just prior to placing such clerks under civil-service rules) usurped the authority to (indirectly) appoint, promote, reduce, and discharge agency clerks, and did make many changes at that time.

Until the Secretary assumed such full control of the agency clerks, I considered the office with which I had been honored by Presidents Arthur, Cleveland, and Harrison as one of public trust. At that time I ceased to be a trustee, as the affairs of the agency were taken out of my hands, and, too, by those having no financial responsibility in the disbursements of the agency. Since then sixteen clerks have been appointed at this agency. In order to do this, the Secretary directed that several removals be made. Three of the clerks thus discharged by him were, after the agency clerks had been placed under civil-service rules, restored to the agency service, one being placed in the agency at Buffalo, N. Y., one in the agency at Philadelphia, Pa., and the other in this agency. This, too, without any civil-service examination.

Of the clerks whom the Secretary directed me to appoint, two were to fill vacancies in the \$900 grade, which had been caused by the removal of two competent clerks, thereby depriving several worthy clerks of a deserved promotion from \$600 to \$900. One of the women appointed was a personal friend of the Secretary from Atlanta, Ga., and the other a personal friend of the present Commissioner of Pensions. The Georgia clerk proved to be utterly worthless as an agency clerk, and was, after the clerks had been placed under civil-service rules, transferred to the Pension Bureau without, of course, ever having passed a civil-service examination. The other woman I subsequently recommended for dismissal for cause, and Commissioner Lochren approved the recommendation.

The then first deputy commissioner, Mr. Murphy, appealed to Commissioner Lochren to have her restored. Commissioner Lochren and Commissioner Murphy applied to me for her restoration. This I declined to do. Shortly after this I learned from the Civil Service Commission that it was in the power of the Commissioner of Pensions to restore her, by his representing to the Commission that the discharge was approved by him under a misapprehension of the facts. I then withdrew my recommendation for her discharge, substituting a leave of absence without pay, with the understanding with the Commissioner that under no circumstances should she be restored to the agency for duty. After Mr. Murphy became Commissioner he transferred her to the Pension Bureau, and has since, I understand, promoted her to \$1,200 per annum. One of the other appointments of the Secretary was a granddaughter of the late Ben Hill, of Georgia. She was on the laborers' roll of the Secretary's Office. This case is remarkable, as she was twice located in this agency, once before and once after civil-service rules were applied to the clerks. Each time there appeared to be a hitch somewhere, doubtless the last time with the Civil Service Commission, as she had never taken the civil-service examination.

Of the appointments which the Secretary directed me to make at that time there are two other interesting cases. One was the sister-in-law of his private secretary. She was appointed to the \$600 grade, and subsequently, after the clerks were placed under civil-service rules, promoted by the Sec-

retary to \$900; and, too, when the rules required that vacancies in higher grades should be filled by promotion from lower grades upon their merits. A remarkable feature in this case is, that this particular clerk had the lowest record for efficiency of any clerk in the agency. The other clerk was transferred to the Pension Bureau under civil-service rules. You will observe that these appointments were made just prior to applying such rules to agency clerks, thereby using this office as a medium through which these persons could enter the Department service without examination.

In Commissioner Murphy's report for the year ending June 30, 1896, appears the following statement: "On the 1st day of July, 1895, by Executive order, the clerks in the pension agencies were placed under civil-service rules."

If this be the case, by what authority did Secretary Smith cause Mr. Murphy, Acting Commissioner of Pensions, under date of July 10, 1895, to direct me to appoint a clerk at \$900 per annum to take effect at once, and three days later, July 13, direct me to reduce a clerk from \$1,000, a son of a veteran and one of the most efficient clerks in the agency, to \$900, and promote a clerk (whom he had three days before directed me to appoint) to the \$1,000 grade—to the place made vacant by such reduction? At that time I was given to understand that the civil-service rules did not apply to the agencies until July 15, 1895. From these dates it will be seen that efforts were made up to the last day, Saturday, July 13 (the 15th falling on the following Monday), to put in force this civil-service reform. I venture to assert that it would be found upon investigation, if the facts could be produced, that this condition of affairs existed in the other seventeen agencies for this period just prior to applying civil-service rules.

This scramble for positions in this agency was not confined to Secretary Smith. Commissioner Lochren asked me for several appointments, one of which I made. First Deputy Commissioner Murphy also asked me to make several appointments, one his sister-in-law, who was subsequently placed by him in the New York agency, where, I understand, she was promoted to \$1,200 and transferred to the Pension Bureau, I having declined to make the appointment. I did, however, appoint another person for him. This clerk he subsequently, on various occasions, asked me to promote, but this I could not do on her efficiency record. Within twenty-four hours, however, after he became Commissioner of Pensions he promoted this girl over more competent clerks without consulting me and, too, in violation of the civil-service rules.

Second Deputy Commissioner Bell asked me to appoint his daughter, which, of course I declined to do. The chief of the finance division, a division through which nearly all the official business of this agency passes, also asked me for an appointment, which was given him, but the clerk appointed at his request was subsequently discharged.

My unsatisfactory experience prompted me of late when vacancies occurred in the agency to ask the Pension Bureau, in making requisition upon the Civil Service Commission for clerks to fill such vacancies, that I be given male clerks. To this request no attention whatever was paid. Not only did the Pension Bureau fail to call upon the Commission for male clerks, but failed to call upon the Commission for any clerks. The three last clerks sent me were females. The first one was transferred here from the Philadelphia agency, a sister of Commissioner Murphy's private secretary. The second one was a woman who had for over twenty years been a clerk in the Pension Bureau, and was discharged early in 1895. She was reinstated and transferred to this agency, she having come here from her home in California for that purpose. As an agency clerk she is utterly worthless, and has recently been dismissed for cause. The third clerk was transferred to this agency on the 9th of November from the Boston agency, under the following circumstances:

On the 4th of November a vacancy occurred in this agency by resignation of a clerk in the \$900 grade, there being two lower grades—\$600 and \$720. Under civil-service rules and my instructions from the Pension Bureau, I at once recommended a clerk for promotion from the \$720 grade to fill the vacancy in the \$900 grade and one in the \$600 to \$720 grade. These promotions would leave a vacancy in the \$600 grade, which I asked to have filled with a male clerk. In response to this, Commissioner Murphy informed me that the vacancy in the \$900 grade would be filled by transfer of a female clerk from the Boston agency. This action not only deprived me of the services of a male clerk, but did a grave injustice to two efficient clerks by depriving them of their deserved promotion.

Upon receipt of this communication I called upon Judge Proctor, president of the Civil Service Commission, calling his attention to many points touched upon herein, particularly this last transfer. While he apparently recognized the injustice in the matter, he admitted his inability to take any action, as the regulations formulated by the Pension Bureau placing the agencies under civil-service rules gave that office authority to take full control of agency affairs. He evidently was impressed with my statement, as he said I could have the privilege of controlling the promotions in the agency hereafter if I would make application to the Commission; also said the Commission would consider the advisability of permitting the agents to deal directly with it, instead of the Pension Bureau, as at present. He asked me if the agency clerks were in the classified service, and as such appointed by the Secretary of the Interior prior to their having been placed under civil-service rules. I replied that Secretary Smith could not find any statute giving him such authority. He asked his chief clerk for any information he had upon that point.

The chief clerk said the Commission was in doubt as to whether the Secretary had such authority and had asked the Assistant Attorney-General of the Interior Department for his opinion. This gentleman replied that the Secretary had such authority. It is on the strength of this opinion that the agency clerks were placed under civil-service rules. A strange coincidence in this connection is the fact that this same Assistant Attorney-General who gave this opinion had, under date of January 21, 1895, asked me by letter to appoint a friend of his to a clerkship in this agency. If the validity of the order placing agency clerks under civil-service rules rests upon the decision of this Assistant Attorney-General who failed to secure an appointment from me, I can only say that they are not legally under such rules, as they were never in the classified service. Mr. Proctor remarked that if they were in the classified service they have been ever since the enactment of the civil-service law in 1893. This law provides as follows:

"Nor shall any officer not in the executive branch of the Government, or any person merely employed as a laborer or workman, be required to be certified hereunder."

The question arises, Were the employees of United States pension agencies in the executive branch of the Government?

Section 2, Article II of the United States Constitution, provides that all such shall be appointed by the President, by and with the consent of the Senate, by the President alone, or by the heads of Departments, or courts of law.

The employees of pension agencies never had appointments from any of these sources, but were employed and discharged by the agents (until Secretary Smith usurped such authority in 1895), as a bank, insurance company, or other business institution employs and discharges its employees. Several weeks after applying civil-service rules to the agencies on July 15, 1895, appointments were forwarded to the clerks of this agency bearing date July 1

1895, two weeks prior to placing them under such rules. These appointments were not signed by the "head of the department," but by Mr. Murphy, Acting Commissioner of Pensions.

Under the existing conditions I have no authority whatever over any of the numerous clerks upon whom I depend for assistance in the annual disbursement of nearly \$10,000,000. I can not even discharge the clerk who signs my official checks—representing this large disbursement—without the approval of the Commissioner of Pensions. In other words, the Commissioner of Pensions can select my clerks and compel me to retain them, even though I know them to be dishonest or inefficient. When they were first placed under civil-service rules, I was given the privilege of appointing my chief clerk and the clerk who signs my official checks, but with the beginning of the present fiscal year I was deprived of even this only remaining safeguard, notwithstanding the sureties on my official bond are required to justify in the sum of \$300,000 to insure the Government against loss through the acts of my clerks.

Under these conditions it would seem that in the event of any financial loss through the action of any dishonest or inefficient clerk thus selected, and contrary to my expressed wish, the prosecution would be greatly embarrassed in making out a case against my bondsmen.

All essential statements made in this connection can be substantiated by private and official papers in my possession.

Respectfully submitted.

SIDNEY L. WILLSON,  
United States Pension Agent.

Hon. WILLIAM B. ALLISON,  
United States Senate, Washington, D. C.

I might add in this connection that not only has this gentleman and his career, and character, and efficiency been attested by his retention in office through four Administrations, but every gentleman in this House having transactions with him will join me in certifying to his high character, his intelligence, and probity. He testified his love for his country upon the battlefield, and lost both his legs in defense of the flag, and has suffered physically beyond description, and yet has been subjected, under the forms and pretense of law, to humiliation beyond the descriptive power of man.

We have a business man at the head of the Treasury Department; a man very anxious, exceedingly anxious, that the letter and spirit, to the infinitesimal details, of the civil-service law shall be carried into effect and even be enlarged; and yet the men whom he orders to pay out a hundred and forty millions of dollars, whose bondsmen are responsible to the Government for the faithful disbursement of that money, have no voice in the appointment of the men who are to do this mighty financial transaction.

Would he employ a man in his bank at the dictation of somebody and retain him? Would he have a teller there to receive the money simply because he had answered a superior number of questions that are connected with a liberal education in this country? Would he have any man there that he himself had not selected, that he himself had not judged, that he had not received assurances, from men of his own selection, men whom he could trust, as to the capacity and integrity of the man? Yet he is called upon to uphold a system that places in the hands of irresponsible men, who have given no dollar of bond, the power to destroy the reputation and property of the men whom I have described.

Why, Mr. Speaker, it is unheard of. It is essentially bad business habits. It is essentially a repudiation of every principle of business fairness and business justness known to the human race.

I am going to point out facts in justification of what I have said. No man has the right to stand here and make the statements I have made in regard to the illegal aggressions of this bureau without producing evidence in support of what he has said, and if I am personal in some of my comments in the future, it will be because I will not be put in the position of declaiming against this system without evidence of the statements which I make.

For a long time it was understood that the Government Printing Office was not embraced in the operations of the civil-service law. It never was embraced except as it was seized upon, and it is one of the best evidences of the correctness of my position that no assault was made by the bureau of civil-service reform upon the Government Printing Office until the beginning of the Administration of Grover Cleveland on his second reign. The law was passed, as you are all aware, just as it stands to-day, so far as this question is involved, on the 16th day of January, 1893, and in order to be concise and definite in what I have to say, I insert the brief of one of the best-known lawyers in the United States and a gentleman who states himself in this connection, as will be seen in the last paragraph of the brief, that he was an attorney for the Government in all the litigation which has grown out of these matters in this city.

The paper is presented to the Government Printer, Hon. Frank W. Palmer, and is an argument to show that the Government Printing Office is not now, and never has been, covered by the terms or even the spirit of the civil-service law, and that section 7 of the act itself as explicitly excludes the Government Printing Office from the operation of the law as though it had said the Government Printing Office shall not be included in the operation of this statute. Here is the argument, and I submit it to the careful consideration of the distinguished champions and vindicators of the management of the civil service bureau under the second Administration of Grover Cleveland.

I do not want these gentlemen to now say, "You are a spoilsman," in answer to this argument. Please do not answer back that I am

a looter of the Treasury or of the public service, but answer this argument, if you can, and bear in mind that from 1883 down to the Administration of Grover Cleveland—his second term—the Civil Service Commission never dared to apply or seek to apply their domination over the Government Printing Office. The bureau must answer the public this question: Did you stand by for more than ten years and fail to discharge your duty to embrace the Government Printing Office within the scope of your domination and thus violate the spirit and purpose and letter of the law, or did you know then and there, and during all these years, that you had no business with the Government Printing Office and ought not to touch it? The public will say that your conduct speaks louder than any mere declamation. It was a matter clearly understood by the Administration itself that it had no right to touch this bureau of labor, this mechanical department, this department where no knowledge of astronomy or Greek or Latin was necessary:

APRIL 27, 1897.

Hon. FRANK W. PALMER,  
Superintendent of Public Printing.

SIR: In compliance with your request for my opinion as to the applicability of the civil-service law to the Government Printing Office, I have the honor to submit the following: The parts of the civil-service law of January 16, 1883, and the statutes referred to in it which seem to apply to this subject are set forth herein:

Section 158, Revised Statutes of the United States, which refers to the Executive Departments, provides as follows:

"Sec. 158. The provisions of this title shall apply to the following Executive Departments:

- "First. The Department of State.
- "Second. The Department of War.
- "Third. The Department of the Treasury.
- "Fourth. The Department of Justice.
- "Fifth. The Post-Office Department.
- "Sixth. The Department of the Navy.
- "Seventh. The Department of the Interior."

Section 163, Revised Statutes of the United States provides as follows:

"Sec. 163. The clerks in the Departments shall be arranged in four classes, distinguished as the first, second, third, and fourth classes."

Sections 1753 and 1754, Revised Statutes of the United States provide as follows:

"Sec. 1753. The President is authorized to prescribe such regulations for the admission of persons into the civil service of the United States as may best promote the efficiency thereof and ascertain the fitness of each candidate in respect to age, health, character, knowledge and ability for the branch of service into which he seeks to enter; and for this purpose he may employ suitable persons to conduct such inquiries, and may prescribe their duties and establish regulations for the conduct of persons who may receive appointment in the civil service," etc.

"Sec. 1754. Persons honorably discharged from the military or naval service by reason of disability resulting from wounds or sickness incurred in the line of duty shall be preferred for appointments to civil offices, provided they are found to possess the business capacity necessary for the proper discharge of the duties of such offices," etc.

The act of Congress entitled "An act to regulate and improve the civil service of the United States," approved January 16, 1883 (22 Stat. 406), commonly known as the civil-service act, provides first for the establishment of the Civil Service Commission and the appointment of Civil Service Commissioners, and then provides as follows:

"Sec. 2. That it shall be the duty of said commissioners:

Paragraph first. "To aid the President, as he may request, in preparing suitable rules for carrying this act into effect," etc.

Paragraph second. "And, among other things, said rules shall provide and declare, as nearly as the conditions of good administration will warrant, as follows:

"First. For open, competitive examinations for testing the fitness of applicants for the public service not classified or to be classified hereunder," etc.

"Second. That all the offices, places, and employments, so arranged or to be arranged in classes, shall be filled by selections according to grade from among those graded highest as the results of such competitive examinations."

"Fourth. That there shall be a period of probation before any absolute appointment or employment aforesaid."

Paragraph third. "Said Commission shall, subject to the rules that may be made by the President, make regulations for, and have control of, such examinations," etc.

Paragraph fifth. "Said Commission shall make an annual report to the President for transmission to Congress," etc.

"Sec. 3. That within sixty days after the passage of this act it shall be the duty of the Secretary of the Treasury, in as near conformity as may be to the classification of certain clerks now existing under the one hundred and sixty-third section of the Revised Statutes, to arrange in classes the several clerks and persons employed by the collector, naval officer, surveyor, and appraisers, or either of them, or being in the public service, at their respective offices in each customs district where the whole number of said clerks and persons shall be altogether as many as fifty," etc.

Paragraph second of this (sixth) section makes it the duty of the Postmaster-General to make a similar classification at certain post-offices.

Paragraph third of this section provides as follows:

Third. That from time to time said Secretary, the Postmaster-General, and each of the heads of Departments mentioned in the one hundred and fifty-eighth section of the Revised Statutes, and each head of an office, shall, on the direction of the President, and for facilitating the execution of this act, respectively revise any then existing classification or arrangement of those in their respective Departments and offices, and shall, for the purposes of the examination herein provided for, include in one or more of such classes, so far as practicable, subordinate places, clerks, and officers in the public service pertaining to their respective Departments not before classified for examination."

Section 7 provides as follows:

"Sec. 7. That after the expiration of six months from the passage of this act no officer or clerk shall be appointed and no person shall be employed to enter or be promoted in either of the said classes now existing, or that may



be arranged hereunder pursuant to said rules, until he has passed an examination, or is shown to be specially exempted from such examination in conformity herewith. But nothing herein contained shall be construed to take from those honorably discharged from the military or naval service any preference conferred by the seventeen hundred and fifty-fourth section of the Revised Statutes, nor to take from the President any authority not inconsistent with this act conferred by the seventeen hundred and fifty-third section of said statutes; nor shall any officer not in the executive branch of the Government, or any person merely employed as a laborer or workman, be required to be classified hereunder; nor, unless by direction of the Senate, shall any person who has been nominated for confirmation by the Senate be required to be classified or to pass an examination."

The portions of the statute not quoted are believed to contain nothing conflicting with the parts quoted or the views herein expressed. The references to these sections and paragraphs and subparagraphs by number, and by words which apparently duplicate some numbers, are somewhat inconvenient for purposes of reference, but are readily understood.

The above-quoted third paragraph of section numbered 6 in the civil-service act of 1883 declares—defines or limits—in express terms the branches of the Government service in which the departmental classification shall be adopted in the civil-service system. It provides "that from time to time said Secretary (of the Treasury), the Postmaster-General, and each of the heads of Departments mentioned in the one hundred and fifty-eighth section of the Revised Statutes, and each head of an office," shall respectively revise any then existing classification of those in their respective Departments and offices and shall, for the purposes of the examination herein provided for, include, in one or more of such classes, subordinate places, clerks and officers in the public service, "pertaining to their respective Departments not before classified for examination."

And said section 168 specifies the seven Departments of the Government, commonly known as the Executive Departments, namely, the Department of State, the Department of War, etc. If, therefore, the Government Printing Office is not one of those departments or an office in one of them, it is clearly not within the provisions of the statute, and the principles of the civil-service act of 1883 can not be held to be applicable to that office without doing violence to the express terms of the law and by palpable perversion of its meaning.

There are various offices in the several Executive Departments, for example, the Internal Revenue, the Bureau of Engraving and Printing, etc., of the Treasury Department, the heads of which offices and the Secretary of such Department shall, on the direction of the President, perform the service mentioned in said paragraph pertaining to their respective departments. And the fact has been judicially determined, substantially, that the Government Printing Office is not one of the Executive Departments of the United States. (See *United States v. Allison*, 91 U. S. Reports, page 338.)

That was an appeal from the Court of Claims in a class of cases commonly known as the "Twenty per cent Cases," where Allison, one of the petitioners, claimed the benefit of the 20 per cent resolution of 28th February, 1867 (14 Stat., page 599), which provided that certain civil officers, clerks, etc., including employees, male and female, in the Executive Mansion, and in certain specified Departments, or any bureau or division thereof, should be paid an additional compensation of 20 per cent on their respective salaries or pay.

The petitioner was an employee in the Government Printing Office, being paid by the day. And the Supreme Court held that the Government Printing Office not being a bureau or division of either of the Executive Departments or mentioned in the joint resolution of Congress, the employees thereof are not entitled to the additional compensation authorized by that resolution. This decision is, to my mind, conclusively to the effect that the Government Printing Office is not one of the Executive Departments, and I am therefore of the opinion that none of the employees of that office are embraced within the civil-service law.

Moreover, the Government Printing Office is not only omitted from the statutes which declare the branches of the Government to which the civil-service classification shall extend, as above shown, but by a careful reading of those statutes it will be seen that the language in section 7 exempting certain persons from the operation of the law applies to the Government Printing Office; and I am of opinion that it excludes the entire force.

Said section No. 7, after declaring that certain preference shall be given persons honorably discharged from the military and naval service, in accordance with section 1754, Revised Statutes United States, further declares:

"Nor shall any officer not in the Executive branch of the Government, or any person merely employed as a laborer or workman, be required to be classified herein," etc.

Who are comprised in the terms "officer," "laborer," "workman," in the Government Printing Office? A large portion of the force consists of compositors, printers, etc., who may be employed by the day, by the hour, or by the "em." When employed by the "em" it has been held judicially that they are mere contractors, and are not employees. The Court of Claims, in the above case of Allison vs. United States, held that printers in the Government Printing Office who were paid by the "em" were mere contractors with the Government (10 Ct. of Cl., 449). In that case the court followed the decision of the United States Supreme Court in Bell's case, 20th Wallace Reports, page 179, which was one of the above class of the "Twenty-per-cent Cases."

The petitioner, Bell, was a plate note printer, paid by the piece, in the Bureau of Engraving and Printing of the Treasury Department, and the Supreme Court held that he was not an "employee in an Executive Department within the meaning of the joint resolution;" and while the Supreme Court differed with the Court of Claims in some of its conclusions, the rule as to the status of printers employed by the "em," or by the piece, has not been disturbed. This class of the force in the Government Printing Office can not, therefore, be said to be "employees" of the Government in any sense; and consequently can not by any possibility be within the civil-service law.

It may be remarked that in the above "Twenty-per-cent Cases" the court held certain employees of the Executive Departments who were paid by the day to be within the civil-service. But it will be observed that those decisions were rendered upon the construction of a special remedial statute, and not upon the construction of the civil-service law now under consideration, which was enacted years after those decisions were rendered. Therefore persons paid by the day, who were held by the Supreme Court to have been contemplated by the 20-per-cent resolution, and consequently within the civil-service within the meaning of that resolution, can not be held to be embraced within the scope of the law now known as the civil-service law by virtue of those decisions.

But it is not desirable, nor is it necessary, to resort to a narrow interpretation of technical terms to ascertain whether the force of the Government Printing Office is embraced within the terms "officers," "laborers," or "workmen," for recent legislation of Congress, providing for the execution of the work of public printing and binding, which was enacted in view of existing law, indicates with sufficient clearness that that force was not intended to be included in the civil-service law. By section 49, act of Congress approved January 12, 1895, the Public Printer is authorized to "employ, at such rates of wages as he may deem for the interest of the Government and just to the persons employed, such proof readers, laborers, and other hands as may be necessary for the execution of orders for public printing and binding author-

ized by law; but he shall not at any time employ in the office more hands than the absolute necessity of the public work may require." Said act of 1895 also provides that "the Public Printer shall pay no greater price for composition than 50 cents per thousand ems, to pressmen 50 cents per hour, and 40 cents per hour for time work to printers and bookbinders," etc.

And in section 45 of said act it is expressly declared as follows:

"Sec. 45. It shall be the duty of the Public Printer to employ workmen who are thoroughly skilled in their respective branches of industry, as shown by trial of their skill under his direction."

Language so broad and clear as the above leaves no doubt in my mind of the correctness of the views above expressed as to the meaning of the words "officers," "laborers," and "workmen" employed in the civil-service act of 1883. Persons "thoroughly skilled in their respective branches of industry" are to be employed by the Public Printer for the effective purposes of the Government Printing Office; the Public Printer may employ by the hour, or by the "em," and the "skill" of his employees shall be tested by trial, not in accordance with rules or regulations promulgated by the Civil Service Commission, but "under his direction."

Again it will be observed, by reference to the opinions of the Supreme Court of the United States above referred to, that that court, in reviewing the entire legislation up to that time concerning the establishment of the Government Printing Office, not only holds that it is not a branch of any of the Executive Departments, but mentions the fact that the work of that office is carried on under the direction of Congress, and it may obviously be regarded, for the purposes of aiding in the work of Congress, as an adjunct of the legislative department, as much so as the document room, the folding room, or the Library of Congress.

I am aware that by Executive order of January 13, 1895, the civil-service classification was extended to every employee in the Government Printing Office. And I can not, without diffidence, express these convictions, in view of the eminence, learning, and wisdom of the officials at whose instance that order was promulgated. But I regard it as settled clearly that no rule or regulation can contravene legislative enactment. By section 1753, Revised Statutes of the United States, the President is authorized to prescribe regulations for the admission of persons into the civil service; but such regulations can not, to my mind, extend beyond the departments of the Government to which express enactment of Congress has limited them. If that could be, then rules and regulations could take the place of positive laws and be substituted for them.

If resort to argument were necessary in support of the conclusions above expressed, it would be found by reference to the fourth subparagraph of paragraph second of section No. 2, which provides that "there shall be a period of probation before any absolute appointment or employment aforesaid." In accordance with this law, departmental rule No. 8 provides for a probational period of six months, at the end of which period, if the conduct and capacity be satisfactory to the appointing officer, he shall receive absolute appointment. Can it be said that such a law or such a regulation was intended to apply to "every employee in the Government Printing Office," or such an establishment as the Government Printing Office, where nearly the entire force is employed by the hour?

Can it be said that persons employed by the hour or by the day shall first be appointed for a probational period of six months, at the end of which period, if his conduct and capacity be satisfactory to the appointing officer, he shall receive absolute appointment? I think not; even saying nothing of the express declaration of Congress in the act of 1895 above referred to, to the effect that the skill of the workmen employed by the Public Printer shall be thoroughly tested under the direction of that officer.

I submit these conclusions the more confidently because I reached the same result upon an examination of the civil-service laws in 1891, in the preparation of certain cases charging certain persons with violating these laws by being concerned in soliciting and receiving contributions for political purposes from employees in the Departments. These prosecutions involved an employee in the Government Printing Office who was paid by the day, which latter fact was brought out in evidence at the trial. The defendant was acquitted, and it is understood that the jury based its verdict upon the ground that the defendant was not, as a matter of fact, such an employee of an Executive Department in the civil service as to render him amenable to the law. Respectfully submitted.

To show you how the grasping tendencies of this octopus have reached out for things that were none of their business, I am going to refer you to the Secret Service Bureau of the Government. That is not a Department, nor even a bureau of a Department; but there is placed in the hands of the Secretary of the Treasury, subject to an appropriation, a lump sum of money to be used for the suppression of counterfeiting, etc. As appears by the statement which I shall append, nothing is said about how that money shall be expended, and there is nothing but the usage of the Government that justifies its expenditure by the Secretary of the Treasury.

You will see by the statement of Mr. Drummond the manner in which this Secret Service Department is run, and it will be seen that on the 1st day of January, 1894, the operatives of this employment were diversified in their politics, they having been employed, ostensibly at least, for their special skill as detectives, and there was every phase of politics in this country involved in the personnel of the people. There was even a Mugwump there, and one man who, it is said calmly and deliberately, had no politics at all. The manner in which that office was looted appears in this statement; and then comes the charming fact that the civil-service law of my country was extended over these thief-catchers; and there they are, but a single Republican left, merely a specimen, not a case, to show what evolution could do.

OFFICE OF DRUMMOND'S DETECTIVE AGENCY,  
New York City, November 25, 1896.

DEAR SIR: Believing you will be interested in what I have to say is my excuse for writing you at this time. It is true I am actuated to an extent by personal feeling, but my principal reason is to have righted to a degree one of the greatest humbugs ever foisted upon the people of this country. I refer to the extending of the civil service to the 30,000 officeholders by the President, after he had been in office a sufficient time to enable his assistants—his subordinates—to turn out of office every Republican, no matter what his worth, and substitute Democrats in their stead.

My reason for selecting you to address is twofold: First, because I read in the papers a few months since that you had asked that a list of the 30,000 employees referred to herein be sent to Congress; secondly, because I know

you will be consulted more than most Congressmen by the President after March 4 next regarding matters generally. Now, to be more explicit, among the 30,000 employees were the members of the Secret Service division in the Treasury Department. I believe that an inquiry will disclose the fact that no ruling of the President can have any force under the civil-service law that places within the classified service the Secret Service division of the Treasury for the reason that there is no such division known to law.

There is no such division mentioned on the statute books; such a division was never created by Congress, and it has no status in law. Very few, if any, members of either branch of Congress know anything about what the Secret Service division is. The facts are these: At the request, or upon the recommendation of the Secretary of the Treasury, a lump sum of money is appropriated annually by Congress for the suppression of counterfeiting; there is nothing in the act directing how the money shall or may be expended. It goes into what is termed the Treasury appropriations, simply because the Secretary of the Treasury, instead of the Attorney-General, has asked for it. Nothing is stated how it is to be expended; no lawful authority is even given the Secretary to expend it at all, but usage suggests that the Secretary may disburse it as he sees fit; therefore he selects from the public a man and appoints him, without authority of law, "Chief of the Secret Service division." He next appoints several clerks, and calls them clerks in the Secret Service division. Next he asks Congress to make an appropriation of about \$11,000 to sustain or pay for the chief and clerks of the Secret Service division. (Mind you, there never has been any law enacted authorizing the Secret Service division.)

Congress, acting from year to year from what their predecessors have done, makes the appropriation, believing they are properly furnishing means to carry on a branch of government that has a lawful existence. Very well, the Secretary now has a chief, clerks, and a messenger, and money to pay them; so he directs the chief to employ or recommend for employment a number of men taken from the general public, and the Secretary proceeds to appoint operatives, special operatives, and assistant operatives, and allows the chief to fix the per diem of each according to his idea of their worth and without regard to any law for same. These men are paid a per diem from \$3 to \$7 for 365 days in the year. Of course, if there appears reason for them to work on Sunday they do it, but such is not often the case. Nevertheless, they are per diem men, but are paid for the same number of days in the year as the man whose yearly salary is fixed by the statute. This, then, is the whole of the so-called Secret Service division of the Treasury Department.

I now ask you if the civil-service law can be extended to protect a corps of men who are employed without any authority of law except by inference? I will now give you a verbatim copy of the act appropriating the money that is used for the maintenance of the Secret Service division of the Treasury:

"Suppressing counterfeiting and other crimes: For the expenses of detecting, arresting, and delivering into the custody of the United States marshal having jurisdiction, dealers and pretended dealers in counterfeit money, and persons engaged in counterfeiting Treasury notes, bonds, national bank notes, and other securities of the United States and of foreign governments, as well as the coins of the United States and of foreign governments, and other felonies committed against the laws of the United States relating to the pay and bounty laws, including \$4,000 to make the necessary investigation of claims for reimbursement of expenses incident to the last sickness and burial of deceased pensioners under section 4718 of the Revised Statutes, and \$5,000 for the necessary investigation of violations of section 5209 of the Revised Statutes, and for no other purpose whatever."

The wording of this appropriation has been changed to suit the various chiefs from year to year, as you will see by looking over the Digest of Appropriations each year back to 1890.

Regarding the personnel of the Secret Service division on January 1, 1894:

A. L. Drummond, New York, chief, Republican.  
 Andrew McWilliams, Kentucky, chief clerk, Blackburn Democrat.  
 George E. McOmber, New York, operative, Republican.  
 Edward A. Abbott, Cleveland, Ohio, operative, Republican.  
 Henry M. Burnett, New Jersey, operative, Republican.  
 Michael G. Bauer, Kentucky, operative, Republican.  
 Albert R. Barrett, Pennsylvania, special operative, Republican.  
 Thomas B. Carter, Indiana, operative, Democrat.  
 William H. Forsyth, New York, operative, Democrat.  
 William P. Hazen, Ohio, operative, Democrat.  
 Nicholas R. Harris, California, operative, Democrat.  
 William B. Linder, Pennsylvania, operative, Republican.  
 Daniel McSweeney, New York, operative, Republican.  
 John F. McCullough, Missouri, operative, Republican.  
 Thomas L. Porter, Illinois, operative, Democrat.  
 Eli M. Stedman, Iowa, operative, Republican.  
 James J. Scanlon, New York, operative, Republican.  
 Joseph A. Walker, Colorado, operative, Mugwump.  
 Thomas T. Callaghan, New York, assistant operative, Republican.  
 Frank Esquerill, Pennsylvania, assistant operative, Republican.  
 Matthew T. Griffin, New York, assistant operative, Democrat.  
 William C. Wood, Philadelphia, assistant operative, Republican.  
 George E. Hayes, New York, assistant operative, Republican.  
 Richard Brunazzi, Texas, special operative, Republican.  
 George W. Drummond, New York, informer, Republican.  
 William J. Burns, Ohio, assistant operative, appointed as Republican, turned Democrat.  
 R. Theophilus, Pennsylvania, informer, Republican.  
 George A. Rock, Washington, D. C., clerk, no politics.  
 W. H. Moran, Laurel, Md., clerk, Democrat.  
 Virginia H. Carpenter, New York, clerk, Republican.  
 Martha D. Green, District of Columbia, clerk, Democrat.  
 James C. Graves, Kentucky, messenger, Democrat.  
 C. H. Callon, Kentucky, clerk, Democrat.  
 J. M. Columbian, New Jersey, informer, Republican.  
 Thirty-four, all told.

On February 1, 1894, A. L. Drummond resigned as chief, by request of Secretary Carlisle, and William P. Hazen, of Ohio, was appointed chief. At the date President Cleveland extended the civil service to cover the employees of the Secret Service division every Republican except Frank Esquerill had been turned out of the service and the places filled by Democrats—that is, 18 Republicans, 19 including the chief—while only 1 Democrat, James C. Graves, and he a Brecklaridge Democrat, had been disturbed. That left of the original 34, 14, the remaining 11 of which were of Democratic origin, 1 mugwump, 1 no politics, 1 Republican, and 1 turn coat Republican; or, in plain figures, only 1 out-and-out Republican was left in the service out of the original force of 34 at the time President Cleveland made his philanthropic (?) order extending to 30,000 old and trusted employees the protection of the civil service. Did you, or did any one else, ever witness such humbug? Of course I do not know the percentage of good, honest, and worthy Republicans who were sacrificed in the rest of the 30,000, but I opine the average was about the same after the three years' pruning by Logan Carlisle and his coworkers.

My point, first, is this: The President did not have power to include the

so-called Secret Service (existing without law) in his order. Second, if he did, was it not a wrong that should be righted by at once taking it out of the classified service, together with the balance of the 30,000 about the 5th of March, 1897?

Had I remained at Washington, it was my intention to have drafted an act having for its purpose the creating of a national police or detective force, allotting a certain number of men for each State, with fixed salaries, and then at the commencement subject all aspirants to a civil-service examination along the line of the duties to be performed, and appoint those who proved most worthy, whether they chanced to be of one or the other political faith. I believe this should be done at once. I believe the appropriation that has been made from year to year by Congress, for a purpose not clearly nor not at all defined and authorized by law, should be discontinued; that in the coming Congress not a dollar should be appropriated, or at least not until a law is enacted creating a lawful bureau or division to be intrusted with the expending of the money.

I have written you at length because I know every word I write is in the interest of good, honest, intelligent government.

I am not a candidate for any office, and do not write on that account. If a new chief is to be appointed, a fit man can be found in E. A. Abbott, at present director of the police department at Cleveland, Ohio. I have the honor to class as my acquaintance, and I believe as my friend, the honored William McKinley, President elect. I worked hard for his election, and contributed my money as much as I was able to the national and State committees, and I am willing to give my time and such humble service as I am capable of to go to Washington when Congress assembles, at my own expense, to assist in bringing about a reform, as I believe the creating of a national and lawful police detective force would be, and the discontinuance of the make-believe force we now have and which grew out of war times and has since been neglected from year to year until by hypocrisy it has been foisted upon the American people as a "good thing" and encircled in the immaculate folds of that "Mugwump" creation, the civil service.

Think of it! Not one of the men in the field force and only two or three in the office force have or can pass any sort of fair examination. Of course, not one of the field force, not even the chief, has passed any kind of examination. They were picked up here and there, some of them previously removed for cause, appointed operatives, and then a fence built around them by Mr. Cleveland in his philanthropy (?), and all on the outside told that they must pass a rigid examination as to mental and moral character before they could even hope to have an application considered. I should very much like to hear from you on this matter. I can furnish documentary proof of almost every allegation herein, and much more that will help you, provided you intend to take this branch of the Government out of the rut and place it on the statute books, where it belongs and should be, as we are the only great nation which has not a lawful body of men to look after the unlawful acts of its people.

Your obedient servant,

A. L. DRUMMOND.

Hon. CHARLES H. GROSVENOR, Athens, Ohio.

The foregoing, it will be seen, justifies my statement that in violation of law, cold-blooded and unconscientiously, they have looted the Departments of the Government and seized upon the men who were not covered by the provisions of the civil-service law.

THE ORIGINAL CIVIL-SERVICE LEGISLATION—THE PRESENT PRACTICE A WIDE AND UNJUSTIFIED DEPARTURE.

Mr. Speaker, I come now to discuss, in connection with the aggressions and growth of this bureaucracy the original idea of the promoters of this legislation. Had there been a suggestion to Congress in 1883 that this law would have been construed as it has been and the power of the Civil Service Commission have grown until it denounced the President and Cabinet officers and Congress, it would not have received 10 votes in either branch of the legislative body, and I make this statement in the light of the proof before us.

The original effort, following the law of 1853, was the effort of Mr. Jenckes, who played to the public galleries in 1860-67. He struggled on and on, and encountered defeat in the Thirty-ninth Congress by a vote of 72 to 66 in the House, 52 members refusing to vote. This chimerical system, which has since grown into an enactment, was spit upon by the distinguished members of Congress of that day, and it is pleasant now to consider that among the great statesmen of the hour who voted to table the whole business we find the names of Mr. Blaine, Mr. Kasson, Senator Wilson, Secretary Windom, Senator ALLISON, and Mr. Boutwell, while Conkling and Garfield refused to vote.

At that time Mr. Jenckes was challenged over and over again to bring forward any reason why such a law was to be passed. He was never able to do it, and finally, after his defeat, as above stated, he abandoned the field, so far as Washington and the Departments were concerned, and undertook to try and reach inefficiency, as he called it, in the customs and internal-revenue service. After the defeat and death of Mr. Jenckes, Mr. Schurz, who has never refused an office from any party, no matter what its principles were, brought the same bill into the Senate, but it was side-tracked by a production of Senator Trumbull, entitled "An act to prevent importunity and to maintain the independence of the Departments." "Senators wanted one thing," as has been well said by another, "but the civil-service 'reformers' wanted another, and finally they both joined hands, but for different objects, to reach the same result."

Mr. Ham, a most able and lucid writer upon this subject, has recently published a small pamphlet in which he reviews, with historic accuracy, the rise and promotion of this heresy. The Albany (N. Y.) Evening Journal quotes Mr. Ham with the following indorsement:

Mr. Ham treats the subject of civil-service reform, modeled after the English experiment, intelligently and candidly.



## This candid writer says:

## DENUNCIATION OF SPOILSMEN.

At this juncture the most alarming statements were made in the public press and on the stump, concerning the condition of the civil service. It was alleged to be corrupt, inefficient, and wholly under the control of Congress, and the country was flooded with untrue, unjust, and most malicious allegations and insinuations. The people were told that the country had come under the yoke of an office-holding oligarchy (Grant) and that its power was poisoning the vitals of the Republic. Every man who failed to fall down and worship at the British "competitive" shrine set up in the market places by Dorman B. Eaton was denounced as a "spoilsmen," and the very air was pregnant with the clamor of the demagogue and the applause of those who innocently followed in the wake of ambitious politicians cloaked in the garb of civil-service "reformers," while bells were tolled to warn the people against danger from the "officeholders" under General Grant.

Let us glance at the situation and conditions which existed about this time. The nation had just emerged from a death struggle to maintain its own existence. To raise the needed revenue, obtain supplies, and distribute them promptly to vast armies called into the field a large number of officeholders not needed in time of peace. Contractors were a necessary evil, and coming in contact with the peace contingent in office, abuses outside the Department may have come to infect the public service. The impetus of the war force was so great, and the peril so imminent, that the final result found the Government generously tardy in coping with evils which had crept in and attached themselves like barnacles to places invested with more or less power; millions of war and other claims remained to be adjusted, and the new system of internal-revenue taxation had become necessary.

Heavy amounts of revenue were and would long require to be raised, not only to repair losses, but to reward patriotism and to pay our indebtedness. A large force must be kept employed, and for the reasons stated, it was not entirely clean. This abnormal situation brought to the surface a lot of theorists, ambitious demagogues—reformers, some of whom were jealous of the civil and military personnel in power—who, in Congress and at the front, had carried the nation successfully through a great war. The conditions became ripe and the moment favorable to commence an agitation for anything that promised "reform."

Only a month or two after General Lee's surrender a select committee on "retrenchment" was raised in the House to investigate matters, and there was a suggestion in the resolve that the inquiry extend to the subject of appointments to office, to the examination of persons for place, and to the policy of continuing them in office for a fixed term. That was the original idea, and, aside from Mr. Jenckes's effort, that was the starting point of the present civil-service law.

A train of abuses is the inevitable result of a civil war; they would have been gradually removed without "competitive" examinations, because the trouble was not so much in the Departments as outside of them, but "civil-service reform" was sprung upon the people who were bearing heavy burdens, and they were made to believe by diligent efforts—that the remedy lay in this pretended reform. Petitions were circulated, editorials written, and speeches made which finally resulted in an educated clamor for the civil-service scheme that was eventually foisted upon the people. Public men who had labored hard during the war in Congress and had grown weary, began to gradually favor something—anything, which would relieve them from the "importunity" of those who desired places. These men were not brought to take this elixir because they either deemed the "competitive" idea necessary, or that it contained the elevating, eradicating, and purifying qualities claimed for it by the civil-service reformers. It simply furnished the machinery to relieve men from importunity."

For five years—from 1868 to 1871—the House of Representatives persistently refused to accept the civil-service idea, but the people had been pilled with all sorts of statements relating to the public service, and they finally took alarm. Not one in ten thousand, however, comprehended what the "reform" meant. Some interpreted it to signify a decrease in taxation and the purifying of the public service and as much more as an active and imaginary mind could be wrought to conceive. But Congress refused to move, until finally the "competitive" idea was hitched on as a "rider" to a sundry civil appropriation bill during the last hours of the session of 1870.

To attach this scheme to an appropriation bill smacked of unfair method. The motion to lay it on the table escaped defeat in the Senate by barely a vote, and it was accepted by the House under protest from General Logan and by a minority vote. It is known as section 1753 of the Revised Statutes, and remains in force. It thrust upon the President a responsibility which he did not desire and in a form which he did not suggest. The President felt the pressure of "importunity" and wished to get relief therefrom, but above all he regarded the real evil to be the careless recommendations of persons for place by Senators and Representatives almost inevitable during the war.

In December, 1870, President Grant said that in mercantile pursuits "the business man who gives a letter of recommendation to a friend to enable him to obtain credit of a stranger is regarded as morally responsible for the integrity of his friend and his ability to meet his obligations. A reformatory law which would enforce that principle against all indorseers of persons for public place would insure great caution in making recommendations."

There was assuredly no "competitive" idea conveyed in that suggestion—no indorsement in it to prevent "importunity" even; no intimation that it was necessary.

## TACTICS OF THE REFORMERS.

But the scheme had obtained a footing, and the reformers became supposedly intrenched behind a law which left its success or failure to rest upon the President. They at once determined to hold him, rather than themselves, responsible for any failure of the experiment; and the work of denouncing every man who declined to accept their civil-service elixir or "competitive" compound was begun with renewed vigor, at Government expense, in reports to the President. The word "reform" had been used to thrust upon the country something which the people did not want nor understand.

## JACKSON AS AN EXAMPLE.

Even the idea of using the word "reform" in the manner stated was not original. That word was just as effectually employed during the Administrations of Adams and Jackson by politicians to secure Jackson's election, and to excuse his removals from office, as the modern civil-service reformers used it to bring the "competitive" idea to the statute book.

Some modern "reformers" there were who hoped the cry would capture Republicans, tear them away from their party, build up the "Liberal" movement, perhaps make Carl Schurz President. They were simply handling the word "reform" as it had been used in the days of Benton, Clay, and Calhoun; just as Mr. Benton raised a "select committee on executive patronage" in 1836 under cover of a desire to reform the civil service. He and his friends then pretended to believe that the ship of state was about to go to pieces on the rock of "patronage," and danger signals were hoisted on every hilltop and kept brightly burning. The people were told that unless something was done, the nation would surely go to the demdition howlows without confession or prayer. The cry went up that the President had too much power;

the civil-service reformer of more modern times tells us that the average Senator and Representative had too much influence.

The Jackson adherents wanted their man and their principles and policy to prevail, and they raised the civil-service "reform" war cry. Jackson came to power in 1829, and six years later, in 1835-36, Clay and Calhoun combined and raised a select committee on civil-service reform. Calhoun had fallen out of line because of his stand on nullification; and, if ambitious, he also desired to punish Jackson.

The wording of the Calhoun-Clay resolve was so similar with that known as the Jenckes resolution in 1866-67 that it seems easy to divine whence the latter came. cursory examination will convince the most skeptical that the civil-service reformers of 1866-1883 drew all their inspiration as to pretended need and necessity for civil-service reform in this country from the reports made by Benton in 1826-27, and Clay and Calhoun in 1835-36.

The Calhoun-Clay report in 1835-36 alleged that honest and capable men were dismissed to make room for the base and corrupt; that the offices were made the spoils of victory, the reward of partisan service, and the means of substituting man worship for patriotism. To these allegations the reformers of 1866-1883 added but two ideas: That the civil service was inefficient, and the importunity of constituents exasperating. Benton met the attack of 1835 by saying that it proceeded from political animosities and was unfounded; that the charges emanated from barnacles who had been removed by Jackson.

Mr. Calhoun pointed out to Benton that his position was quite inconsistent with the language of his (Benton's) report in 1823, when the latter and his friends were assailing Adams, and the point made by the South Carolina Senator was well taken. Silas Wright was on the floor of the Senate and made sport of the fears expressed in the Clay-Calhoun report leveled at Jackson. He said:

"How are most of these officeholders appointed? Upon the recommendations and petitions of the people themselves, upon certificates of character, respectability, and moral worth, made by those who are neighbors and friends of the candidate, who know him personally and intimately, and most usually on the recommendation of the Representatives here of the person appointed. Are we, then, to assume that offices are bestowed as rewards for partisan service, without respect to merit?"

William L. Marcy's familiar remark, which the advocates of civil-service reform so delight to recall from its slumbers, viz, that "to the victors belong the spoils," contained a very essential appendage, which is always suppressed. Mr. Wright added, "but I do not mean to say that the victors should plunder their own camp." A very important qualification, indeed; one that carries a complete refutation of the construction generally placed on his original remark by the civil-service people.

In other words, while the political party which succeeds has a right to the offices—in order to enforce its policy and its principles upon the country, if it can—the argument was, and is, that its appointees have generally been men of character, honesty, and merit, not only that they might best serve the public interests, but to accomplish the purpose indicated, and in the very nature of things the best, the strongest, and most positive men were, as a rule, appointed. No political party will "plunder its own camp," and thus endanger its power by selecting dishonest, corrupt, or inefficient persons to hold office in time of peace.

## COLLAPSE OF THE ORIGINAL IDEA.

The original law of 1871 provided that the President might "prescribe such regulations for the admission of persons into the civil service of the United States as may best promote efficiency," etc. Following the passage of that act came the zealous efforts of the reformers to prepare rules and regulations to make the scheme work out their theories. They failed, and the competitive idea finally collapsed in 1875-76. The President, General Grant, said distinctly in his message of December, 1875, that—

If Congress adjourns without positive legislation on the subject of civil-service reform, I will regard such action as a disapproval of the system and will abandon it. Competitive examinations will be abandoned.

Congress, wisely and deliberately, and with its eyes wide open, did adjourn without any "positive legislation." Now, in this connection it is important to see whether or not the allegations of corruption and inefficiency alleged against the Republican Administration of that day were true or false. This child of despotism was born of those declarations; whatever there is of it now had its birth and origin because of the declarations made that in 1875-76 there was a condition in the Departments at Washington that required an enactment of this character.

There was not one officer of the General Government, nor bureau, that did not denounce as an outrage the slanders upon which these proceedings were based, and it was not strange to the men of those days that slanders should emanate from certain of the sources promoting this alleged reform. The Third Auditor of the Treasury said that the clerks appointed by competitive examination were not superior to those appointed in the old way. The Supervising Architect said that the civil-service law had led to demoralization, rivalries, and intrigues, and that no examination was of any value compared with practical tests, and he advised the repeal of so much of the law as had at that time been passed into enactment, to wit, section 1753 of the Revised Statutes.

The New York naval officer said that the examinations resorted to under the old system were the means of introducing into the service appointees equally as efficient as any appointed under the civil-service law.

The First Comptroller of the Treasury said "the evils from it exceeded the benefits."

The Third Assistant Postmaster-General said that the law "fell short of properly or satisfactorily filling its mission;" but, as this writer has well said, this fusillade was kept up, and the words "spoilsmen," "henchmen," "patronage," and "reform" were sung and echoed throughout the halls of Congress and throughout the air which surrounded politicians out of jobs, who had traded on their influence in the campaign preceding 1877.

Then came a determined effort, which unfortunately failed, to get rid of this whole business and go back to the simpler and more

effective terms of the law of 1853, as amended. In 1872 Senator Carpenter, of Wisconsin, one of the great leaders of the Republican party, moved an amendment to an appropriation bill to repeal that law. It failed by a slender majority of 8. But in 1874 the House of Representatives did attach an amendment to repeal the civil-service law of 1871. The Senate refused to concur, but moved to amend by striking it out and to give \$15,000 to enforce the law, and in conference the action of both branches failed and civil-service reform substantially came to a dead stop. The effect was, is, and remains that the competitive system was abandoned and denounced all along its pathway up to this date.

#### THE REAL OBJECT OF THE LAW.

The real object of the law, it was claimed at the time, was to make men in public stations accountable for their recommendations, and Senator MORRILL said that he desired to prevent intoxication among employees; and yet, as Mr. Ham has well said:

The average civil-service reformer of to-day will say that the one great purpose of the act of 1871 was to bring greater efficiency to the service; to destroy the patronage power of the politician. With this contrariety of ideas it is little wonder that the competitive idea of 1871 came to an untimely end. Senators did not concede that there was corruption or inefficiency in the grades which the law would reach.

No greater scandal or outrage was ever perpetrated upon the fair name of the American people than at the beginning of the civil-service law. There was no necessity for greater efficiency or purer morals in the Departments at Washington or in the great bureaus in other cities.

The Senators of 1871 made swift progress to denounce the whole business, and addressing himself to the Trumbull bill in that year Senator Morton, of Indiana, one of the great leaders of the Republican party, said:

It is said that there are a large number of incompetent and worthless clerks employed. Is that true? I believe the clerks here are as competent and as well qualified, and men of as good character, as can be found in any country. I believe our civil service is now conducted as well, if not better than at any former period of our history. We have gone on improving and reforming, and the civil service is getting better from year to year.

Senator Cameron, the great champion of the party in Pennsylvania said:

Takes them altogether, I do not believe there is a more efficient, a more honest, a more useful, and a worse paid body of people than these clerks.

The Secretary of the Treasury, Mr. Richardson, who was appealed to and who was in that year a man of courage, who was in that year a man who was not afraid of the babble and bluster of the noisy element in the country, said:

The business in the Treasury, upon the whole, is not only done in a satisfactory manner, but it will compare in accuracy and efficiency with the business of the country generally which is carried on by corporations and individuals.

He also affirmed "that the removals were no greater than was needed to insure vigor and infuse new life in the Department."

At that time the high priest, who, I believe, had not yet deserted his political party, although he was, perhaps, making ready and looking out for later engagements, said:

Whether the Departments at Washington are well or badly managed was an insignificant question.

Baffled and completely routed in his assaults upon the Government and upon the departmental service in Washington, he said that it was a matter of insignificance whether they were well or badly run. They were to be reformed whether there was any reform needed or not. In this connection it is well to quote what Representative Baker, of New Hampshire, said recently in a speech in this House:

Why, gentlemen, years ago I had the honor of serving in one of these Departments. I know what its personnel was from 1865 to 1874 by actual contact with it, and, by business and other relations with that Department, I have known it ever since, and I tell you that there has never been in the history of the Treasury Department, a time when it was so well managed, when it had clerks of such ability who so honestly and faithfully discharged their duties as during that so-called "spoils" time from 1865 to 1875.

Then came a little tinkering of the law in a legislative appropriation bill of August 15, 1876, and then came the great struggle to create public sentiment, and Mr. Ham has so well stated the unjust and libelous efforts that were made in that direction that I reproduce his remarks:

This only seemed to whet the keen appetite of the reformers, who commenced a systematic siege, and for several years in public print, in conventions, meetings, and on the stump, it was sought to create a sentiment which would justify a second appeal to Congress, of sufficient proportions to terrify and bulldoze the legislative branch into passing an elaborate act. Accordingly in 1877 Mr. Hayes was prevailed upon to allow Mr. Eaton to show how "competitive" examinations had worked in England and here. That gentleman labored on a brochure of 265 printed pages about two years and four months, at a good salary, going back to the Norman invasion and tracing the rise, progress, and causes of abuses in the British Empire, desiring, of course, to have the country assume that what had proceeded from the rule of English tyrants and feudalism existed here also or was likely to be precipitated upon this country, unless the "competitive" panacea was applied at once. It was a report calculated and intended to excite and alarm, but it had no application whatever to the existing conditions of our civil service. And the suggestion which is conveyed, to wit, that the abuses in England had been eradicated by civil-service "competitive" examinations was the weakest feature of his historical effort. Mr. Eaton's report showed that Parliament was under the sway, practically, of 160,000 voters. In some districts 10, 13, or 35 persons controlled an election. The rotten borough system there was in

full blast. Ninety members went up to Parliament on a total vote of but 4,500. Three lords controlled 31 members of the Commons. Of over 50 persons foisted on the Government between 1837 and 1855 several were found absolutely incompetent because of old age; titled barnacles, spoken of by Mr. Dickens.

Many others of the 50 were found entirely unqualified for diverse other reasons, such as bad character, ill health, and some could neither read nor write. Of 290 persons examined under the old system in 1855 in England 255 were rejected because of ignorance in spelling and arithmetic. There was assuredly need of education in England—even if it had to come under the guise of "competitive" examinations. But the scholastic effort to draw a parallel between the situation there and here was devoid of truth in its suggestion and lacking in true American pride. It was an insinuating libel upon the United States, printed at Government expense.

But this did not succeed and no civil-service law grew out of it. A well and distinguished civil-service reformer assailed Mr. Dawes, a Senator from Massachusetts, to know why the law had not been passed, and Mr. Dawes said, "How can you expect a law to be passed by Congress when the constituents of Congress do not want it?" And one of the theorists of that day said: "Of course, I know that it is true that no law which is very much in advance of the prevailing tone of public morality is ever effectually executed. It will not execute itself."

Mr. Dawes said, in that connection, "We can not get the legislation and make it permanent unless our constituents behind us will support us in it. We never rise higher than the fountain;" and thereupon a cheap-John stereotype system of printed headings and the old, old style of petitions, signed promiscuously in country stores and post-offices and everywhere, poured in upon Congress as an evidence of a growing public sentiment.

Now came the partial sanction of the civil-service reform movement. It did not originate in the House of Representatives; it never came from any immediate representatives of the people, but it had its origin in the Senate of the United States. Its progenitor ostensibly was Mr. Pendleton. It has been well said, and is true, that the bill containing the competitive scheme was handed to Mr. Pendleton, and was reported favorably, devoid of sections 8, 9, 10, 11, 12, 13, and 14, which really contain all of reform there is in the civil-service law.

The Senate amended the bill as reported by adding the above sections; 11, 12, 13, and 15 coming from Senator HAWLEY, who now has views on this great question, and section 14 from the late Senator Beck. Mr. Pendleton never drafted a line of the experiment. As Senator Miller said:

The bill is the joint work of a number of educated gentlemen who are organized for the purpose of promoting a reform in the civil service.

Senator Ingalls said:

This bill is not devised by either political party in the Senate; it was sent here by a self-constituted commission of exceedingly holy and wise men outside the Senate. It does not represent the sentiment of either of the political parties in this body. I know who drew up this bill; I know who sent it here, and I know the motives and the incentives that are being used to pass it.

And he added:

This bill appears to be supported by each party for the purpose of cheating the other. It is sustained by one party upon grounds that are absolutely adverse to those on which it is supported by the other, and it will end by defrauding both.

And who will say that to-day the intelligent, far-seeing, and shrewd men of all political parties do not recognize that they have and their constituents have and the country has been cheated by this bill?

Senator Logan said:

I do not protest against certain Senators constantly discussing this question, based upon the corruption of the clerical force of this country, because it has no foundation in fact.

But Mr. Pendleton then and there waved a flag of compromise which alone saved the bill, by declaring:

It has been said that the abandonment of the spoils system will retain in office the appointments of the Republican party. I do not think so. There is no proposition to extend the term of office nor anywise to limit the power of removal.

But to-day the Civil Service Commissioners demand that the power of removal shall be limited by an Executive order which the Executive has no constitutional power to issue, and in a recent article in the Forum the chairman of the executive committee of the National Civil Service Association says that the weak spots in the law as it stands to-day are, first, that there is no power of removal and, in fact and by inference, that no Presidential order can limit the power of the appointing heads of the Departments from making removals with or without cause, excepting in so far as the President can coerce the judgment and action of his Cabinet; and second, that there is no provision for the disabled; that is, there is no civil-pension list. As I have already said, that will be the next step needed. The step has already been taken by the honorable chairman of the Civil Service Committee of this House.

I shall here incorporate some of the pertinent discussions when this bill was pending. These choice excerpts are collated from speeches of HAWLEY, Pendleton, and Sherman, and has been well expressed by Senator MORGAN in the following:

Is not "importunity" the great evil against which we have to contend?



So it appears that—

The object of Senators on both occasions was relief against the importunities of those who desired places. The competitive scheme would throw all the minor office hunters upon the Civil Service Commission. It was not that competitive examinations were necessary. That idea would simply furnish the machinery which would attain the other desired result. And the consequence was that independently of the competitive scheme its machinery would defend men from "importunity."

That is to say, distinguished Senators who had risen upon the wave of results achieved by the workmen of their party at home wanted to put a legal barrier between the importunities for reward of their constituents who had made them great. This was the declared position, but General HAWLEY, the gallant old soldier, hero, and statesman of Connecticut, has said, as stated by Mr. Ham, and I quote a considerable amount of the collation of that indefatigable writer:

"Nine-tenths of those who do the headwork in the great political campaigns at home, in town and county and State committees, and who are at the polls distributing ballots, serving as counters, running out to bring in voters, and attending to correspondence are men who serve with no care for, no thought nor expectation of ever holding a political office. Nine-tenths of the men who subscribe money for the honorable uses of a campaign are of the same description. There has been a deal of unlimited and nonsensical abuse on that subject."

Why should Senators and Representatives erect a barrier between themselves and these men and the public service, seek the labor and financial assistance even of party friends, and then be able to turn about and say, in answer to a request for a position, "Oh, I can't help you; all the places are under the civil service." They ought to add—even if it is in a whisper—"which I helped to enact and now vote to continue." Ex-Senator Vilas gave the snap away when he said on the floor of the Senate April 7, 1896: "The relief which has been enjoyed by Senators and Representatives, not to speak of those intrusted with the offices of the Government, is in itself a second item of great consequence."

It may be of great consequence for a Senator to be able to turn a constituent down with the leverage of a law of his own creation, but the Senator who gloried in it has himself been retired, and the people are ready to retire more who may think as he does.

But in what way are Senators and Representatives advantaged by this law, so far as it may tend to relieve them from "importunity"? Without a civil-service law they would be asked to secure "appointments." Under the law they are importuned to keep persons in and also to secure reinstatements. We think the law increases the volume of importunity.

It is by and through political parties that this Government has worked out its greatest achievements and advances—and all before civil-service reform had an existence! By and through parties come purification, exposures of wrong, and economies. Destroy one of the incentives which a small percentage of party workers have—reward for fidelity and zeal—and a republican form of government will gradually lapse into a state of coma. Political parties are the vitalizing forces of our system. They consist in part of workers and organizers, not one in a thousand of whom seek Federal positions!

The strife between the comparatively few who do develop the unobjectionable and qualified person. The assumption is that unless competitive examination is resorted to we get incompetents. The whole country is full of qualified persons! Would Mr. Gage or any other bank president wanting a teller, cashier, note clerk, or other officer go to some "competitive" school for such an officer? And why not, as well as for a clerk in the Treasury?

So now it becomes pertinent to ascertain what was the real incentive of the Senators to pass the Pendleton bill. Was the civil service inefficient? I have already more than once commented; I shall continue to comment.

President Arthur said in 1881:

I declare my dissent from the severe and almost indiscriminate censure with which the present civil servants of the Government have been recently assailed. That they are, as a class, indolent, inefficient, and corrupt is a statement which has been often made and widely credited, but when the extent, variety, delicacy, and importance of their duties are considered, the great majority of the employees of the Government are, in my judgment, deserving of high commendation.

"I protest vigorously against the extreme denunciation of the existing system of this country," said Mr. HAWLEY. "It has become a fashion very largely among a class of men who have or claim for themselves a superior culture to the average, to speak of the whole public service of this country as corrupt. They have no right to such language. . . . I have an unutterable contempt for the man who justifies his neglect of his public duties by talking about the dirty waters of politics."

So the law was passed in fraud. It was conceived in sin, and brought forth in iniquity, for it is always iniquitous to intend to pass a law for one purpose, when covertly and secretly you intend it shall operate for another purpose. It went through the House in fraud of the rights of the members of the House and the people whom they represent. It was never intended to cover anything but the Departments in Washington, and that alone in its application to the clerical force. Had any man in those days said that that law would be tortured to affect the appointment by the President himself of an assistant messenger in the White House, there would have been no vote in favor of it on the floor of the Senate. It was an experiment to be tried upon the clerks in the Departments. The whole line of debate shows it. Mr. Pendleton himself says:

I said that this was a tentative effort; that it was intended to be an experiment; and it is because it is tentative, because it is intended as an experiment, that the committee thought it advisable to limit it.

Limit it to what? Why, to the very subjects that we say to-day it is limited to. Pendleton, its author, understood it so; Pendleton, its putative father, knew what it meant.

In 1888 Mr. Cox said that when the Pendleton bill came over from the Senate the House was about to take up an important shipping bill, and he at once proposed to Mr. Kasson, of Iowa,

that a vote be taken on the Pendleton bill without debate, and it was passed in that way, or, as Mr. Cox expressed it, "on the tidal wave of an emotion," and that emotion has emotionized out of office every Administration that has touched it with a single item, and its baneful effects are just being felt in this country; and here I quote from Mr. Ham what this experiment has cost the people of the United States:

As an "experiment" it has been used and abused as has no other law on the statute books. Specific details or cases to sustain this assertion will doubtless be forthcoming in due time; it is sufficient to now say that this has been done through the general rules, the special rules applicable to each Department, and the regulations, for be it known that the civil-service "trust," commission, or board of control of the Federal patronage, the three "bosses" over 87,000 places, and their predecessors, have erected a "machine" under those rules that would startle Tweed himself. Its original entrance or appointment rules, special rules for each Department, rules for transfer and promotions, and its regulations, and that delectable semipolitical "machine" in the Treasury for special or noncompetitive examinations, cover 53 pages of small type! Is it any wonder that Senators and Representatives "throw up their hands" when they attempt to discover what it all means?

The Departments were "blanketed" under civil-service reformer Cleveland to such an extent in the reach for jurisdiction that farmers and blacksmiths on Indian reservations and employees in sawmills, and cooks, even, are said to come within the rules. In fact, a doubt has arisen whether there are enough places "excepted" to satisfy even the very few remaining applicants from the State of Ohio!

But I shall have something to say more in detail before I close this address.

In this connection I desire to call attention to one of the infamies of this procedure. Grasping for control and plunder and patronage and spoils, this bureau reached out its tentacles and grasped the pension boards of the country, and an order of the boss spoilsman of the age, Grover Cleveland, extended over the pension boards, and it has been gravely intimated that had he remained in office four more years he would have extended civil-service rules over the ordinary methods of increase of population in the country.

These pension boards are mere auxiliaries of the Commissioner of Pensions. They are referees of that officer, to ascertain conditions and report facts. They are in no sense officers of the Government, and that fact has been solemnly adjudicated by the Supreme Court of the United States, and yet this grasping bureau, intent upon trampling upon the rights of the American people in its grasp for power, has declared that no man shall be a referee of the Pension Bureau unless he can pass a civil-service examination. Was absurdity ever so absurd?

There has been inquiry after inquiry addressed to the common sense of the people of the country as to why this has been done, and there never has been but one answer. It had been suspected that these boards had some political influence in the country, and so when Mr. Cleveland came in, in 1893, he speedily wiped off the face of the earth the old Republican boards; the soldier surgeons were driven into retirement, and in the State of Ohio, in eighty-eight counties, with three examiners in each county, there were not twenty Republican members of these boards left, and there were not, so far as I know and so far as I have heard, one ex-Union soldier left on the boards, and in the Southern States, and notably in one of the Southern States, a large proportion of the examiners on these boards were and are to this day ex-Confederates. These boards, thus constituted as Democratic boards by a Democratic President, felt it their duty to take up the work of politics in all the various avenues in which they move and exhibit their efficiency in the campaign of 1894.

The civil-service octopus—the Procter crowd—under the instruction of the Logan Carlises of this country, seized these boards, and required, first, that they should not be removed except for cause, and second, that they should pass a civil-service examination. A civil-service examination for what? I say that the promulgation of that order and its reference alike is a grievous insult to the medical profession of the United States.

Every one of those gentlemen, every member of those boards, must be a graduate of a medical college and must be skilled in surgery and must bear a commission and diploma certifying to the truth of that claim. They must have had long experience before they are eligible, and yet by a single proceeding an order is issued practically denouncing every diploma held by a physician in the United States. They say, "It is true that you have a diploma from the Jefferson Medical College, or the College of Physicians and Surgeons, or the Bellevue Hospital, that is all true enough, but we have a little political machine emanating out from Washington that wants to talk over with you the subject-matter and see whether your diploma is not a fraudulent diploma; to ascertain whether or not by some process you have not fraudulently gotten yourself constituted a doctor of medicine and surgery."

It is the most disgraceful order that ever emanated from a President of the United States, and Grover Cleveland was its author and the Procter crowd and the Logan Carlisle crowd were its promoters. Shame upon such an order that seeks to disgrace and humiliate a great professional body of gentlemen in the United States. What is it done for? It must have been done for political

purposes, for political reasons. It must have been done to take away from the soldier of the country men in accord with him.

Ninety out of every hundred soldiers of the Union Army are Republicans, and this is an effort, and I fear a successful effort, in large part at least, to take from the soldier the counsel and advice of his friend and transfer it to his political enemy; but I have said that I would show that less efficiency was attained under the civil service than under the old system, and I have two or three items of evidence to offer. First, the civil service of the Government has been crowded and overcrowded by reason of the inefficiency and incapacity of the men who are held in office by virtue of the civil-service law.

I get my figures from the article heretofore referred to by me, written by the chairman of the executive committee of the National Civil Service Association. In that article it appears that in 1883, when the civil-service law was passed, there were 131,800 members of the civil service of the Government. In 1897 there were 178,717, an increase of 46,917 in thirteen years. This increase is largely out of proportion to the increase of population in the United States, and yet during that period we have had the Dockery Act and report of the Dockery Commission, which was carried into execution, by which it was supposed that a large lopping off of the employees was to take place, but the growth of this civil-service domination has been so great that efficiency is no longer the rule.

Now, I heretofore adverted to the fact that in my capacity as a Member of Congress I requested the appointment, altogether, of twelve men in the Railway Mail Service, and declared that, so far as I knew, no one of them ever failed of high efficiency, good morals, and absolute fitness. I propose to demonstrate the truth of my statement when I say that competitive examinations and the action of this bureau have absolutely failed to bring into the public service true merit and true fitness. I have already in a former speech pointed out that two men had received positions in the public service who had been theretofore convicts in penal institutions.

I hold, Mr. Speaker, in my hand an official statement from the Railway Mail Service of the dismissals and removals in that service from March 5, 1893, to March 3, 1897. That statement gives the official record of 560 men who were removed from the Railway Mail Service during that period. It gives the date of the appointment, the name of the clerk, the line upon which he traveled, and the cause of his removal. Of those 560 removals 271 of them came through this merit system, through this competitive-examination system; came through the operation of this system that is to purify the morals of the civil service and enhance its efficiency; came through the system of this high and holy organization that says that each of these individuals was fitted for the place. The spoilsmen had been rejected.

The spoilsmen had been rebuked by these appointments. These men had come as the output and outgrowth of this purifying and purified system. What rejoicing there was when these men came forth with the grand and immaculate regalia of absolute fitness. There had been examined for these places perhaps 2,000 men, but there was the taint of the spoilsman upon some of them. Some of them did not know how to estimate the distance from the earth to the stars. Some of them did not quite understand all the peculiar habits of the bugs of America, and some of them were uninitiated into the mysteries of logarithms and geometry; but these men had passed a successful examination and "washed their robes" and made them white and immaculate in the pure stream of civil-service examination.

And now the Department has given to me the reasons why these men were dismissed. Opposite each one's name there appears a statement. I hold the paper in my hand, Mr. Speaker, and am therefore in possession of the record of each one of these men. I will not give the names of these men nor the reasons opposite their names why they were removed, for I seek not to humiliate them; but if any one of them, through some unwise friend, should challenge the truth of my statement, I may be driven to catalogue their names and embalm them in the CONGRESSIONAL RECORD and give the reasons assigned for their removal, but for the purposes of my address this would be unnecessary and harmful.

The following is the aggregate of reasons for these removals:

Failure to obey orders; intoxication.....	24
Robbing the mail.....	51
Violations of law.....	53
Inefficiency, etc.....	69
Poor examination and poor record.....	19
Careless, insubordinate, and inattentive.....	8
Fraudulent use of photograph commission.....	1
Physical disability.....	2
Criminal conduct.....	1
Immoral conduct.....	6
Interfering with other people's correspondence.....	1
Gambling.....	9
Loss of mail keys and no effort to recover.....	1
Selling railroad pass.....	1
Loosing mail.....	1
Running for office.....	1

Attending political convention.....	1
Falsely stating age to Civil Service Commission.....	1
Fraud.....	3
Lying about fellow-clerk.....	1
Bad habits and reputation.....	1
Dealing in lottery tickets.....	1
For being a disturbing element.....	1
Engaging in outside business.....	1
Tampering with mails.....	1
Failure to pay debts.....	2
Physical defects and misstatements regarding same.....	2
Fraud in case examination.....	2
Scandalous and unbecoming conduct.....	2
Speaking in an insulting and indecent manner of the President of the United States.....	1
Writing disrespectful letters to superior officers.....	1
Improper use of pass and statements concerning it.....	1
Gross carelessness in handling registered matter, intoxication, gambling, and failure to reply to official correspondence.....	1
Breach of trust and untruthfulness.....	1
On report of post-office inspectors.....	3
Untruthfulness and unreliability.....	1
Opening and reading correspondence passing through the mail, insubordination, aspiring to secure the removal of a fellow-clerk, and untruthful statements.....	1

Total..... 271

Is it not a remarkable circumstance that this system, this merit system, this system that searches among the higher class, the better element of the country, to fill the various positions—that 54 of their product should be removed or discharged for intoxication, 21 for robbing the mails, 53 for various violations of law, and 69 for inefficiency? To some of these removals there are attached other causes than the ones which I have put down; but, going from the top to the bottom of this list of reasons, if there ever was an exhibition of a higher development or a higher degree of total depravity than is here exhibited I would like to see it.

Tell me when it was that under the spoils system a condition like this existed. Tell me if there is a Cabinet officer who does not believe that other agencies which we could commend might readily insure the Government against such infamy of fraud as we have here. Why, this system can not even guard the Government against physical defects, and the Civil Service Commission is compelled to figure in this record as having been the victims of the false statements of these men in their examinations.

Now, if these facts be true, and they are, and no fair-minded man in the world will doubt them, no fair-minded man will require of me that I shall place the official record which I have in my hands in the RECORD; if this be true, I say, what may be inferred in the entire aggregation of appointments under the civil service in the United States? What sort of a hiving of criminals have we? What sort of a drag net for incapables have we here? What kind of a rallying point for drunkards and gamblers and thieves and robbers have we here? This is under the merit system. Good citizens, this is the merit system! This is not the spoilsman. His hands have not been smirched by office. They have come through the Procter-Carlisle combination in large part.

Oh, what a record! What a burning disgrace to the name of America that there is a system that shields these men upon their entering the public service by giving them a test that is no test of fitness. Why, this Commission violates the law daily and hourly in its issue of communications to the public. Nor do they talk about the language of the original statute. Well might Mr. George William Curtis say, as he did say—

If by admission to the civil service nothing were understood but a test of mere literary proficiency, then the competitive idea might well be opposed as unsatisfactory.

Pray tell me, ye disciples, what is there other than that? What is there left in this matter but their violation of law by an attempt to limit the power of removal and the literary examination of the applicant. Well might Senator Williams say, as he did say—

There is nothing in this little civil-service bill; nothing in the world. It does not amount to a hill of beans. It is a little entaplasim to cover only half of a pore eye. It is deceptive; it is a sham; it is a mere make-believe, and I will not vote for a measure the effect of which is to deceive the people of the country.

Scanning this record, and assuming, as I do, that it is a fair illustration of the workings of this entire system, we are not at a loss to know how the expenses of the civil service have run up to a figure that astound the men at home and abroad. We find that in the civil-service law there is nothing to aid the country or to protect the country from the incursion of bad men into office. Here is the utterance of President Arthur:

It is very questionable whether the attainment of the highest number of marks at a competitive examination should be the criterion by which applications for appointment should be tested. There are very many characteristics which go to make a model civil servant, prominent among which are probity, industry, good sense, good habits, good temper, patience, order, courteous conduct, self-reliance, and adherence to superior officers.

Here was the wisdom of an experienced man of the world, and his suggestions sound like a warning voice in the light of the exhibit which I have just made.

The original civil-service law in this connection used the words "capacity and fitness," recognizing in the very language itself that these words were not to be considered as synonymous. "And



[illegible]

## DEPARTMENT OF JUSTICE—continued.

State.	Dismissals.		Resignations.		Appointments.		Reductions.		Promotions.	
	Classified.	Unclassified.	Classified.	Unclassified.	Classified.	Unclassified.	Classified.	Unclassified.	Classified.	Unclassified.
Delaware.....			1	1	2				2	
Georgia.....					2				2	
Illinois.....			4	3	2				1	
Indiana.....			1	1					1	
Iowa.....			1	1	2				1	
Kansas.....									1	
Kentucky.....			1	1						
Louisiana.....					3				3	
Maryland.....			1	1					2	
Massachusetts.....			1	1					2	
Michigan.....			1	1	2				6	
Minnesota.....					3				4	
Mississippi.....			1		4				1	
Missouri.....			1	1	4				2	
Nebraska.....			1	1	1				1	
Nevada.....			1							
New Hampshire.....			1	2	1					
New Jersey.....			1		4				5	
New York.....			1		5				14	
North Carolina.....					1					
North Dakota.....			1	1						
Ohio.....			1	1	1				4	
Oregon.....					1					
Pennsylvania.....	1		2	2	9				11	
Rhode Island.....					1					
South Carolina.....			1	1	1					
Tennessee.....			6	1					1	
Texas.....			3	3	1					
Vermont.....			1	1					2	
Virginia.....	1		1	4	1				3	
Washington.....			1	3					1	
West Virginia.....			1	2	1					
Wisconsin.....				1	1					
District of Columbia.....			1	6	3				5	
Total.....	2		17	21	90	5			1	83

## POST-OFFICE DEPARTMENT.

Alabama.....					6	2			6	
Arkansas.....	2				1	1			3	
California.....			1		1				3	
Colorado.....	1				1					
Connecticut.....		1		2		1	1		6	
Delaware.....		2				2			1	
Florida.....										
Georgia.....	1	1	1		3	8			6	1
Illinois.....			3	2	5	5	2		8	
Indiana.....	1	1	2	2	2	2			7	
Iowa.....		1	1	1	2	3			3	
Kansas.....		1	1	2		3			2	
Kentucky.....			1		5	1			6	1
Louisiana.....					4	1	3		4	
Maine.....				1	1	4	4		3	
Maryland.....	1	6	2		6	3	1		7	
Massachusetts.....			2		6	1	4		10	
Michigan.....		1	2		2	9	1		13	2
Minnesota.....			1		1				9	
Mississippi.....		2	1		2	1	1		9	1
Missouri.....					9	4	1		13	
Nebraska.....	2	1	1		1				1	1
New Hampshire.....							2			
New Jersey.....		3	2	1		7	1		3	
New York.....	2	5	8	1	15	14	9		24	1
North Carolina.....		3	2	1	1	6			5	1
North Dakota.....										
Ohio.....	1	4	2	2	2	5	1	1	11	1
Oregon.....										
Pennsylvania.....	1	13	7	1	9	1	4		18	1
Rhode Island.....										
South Carolina.....	1			1		1			4	
South Dakota.....									2	
Tennessee.....	1	2	2	3	2	9	2		6	1
Texas.....						2			2	
Vermont.....		1	2	1		1	1	1	1	
Virginia.....	1	4	2	1	1	14	1		3	2
Washington.....										
West Virginia.....					1	10	1		3	3
Wisconsin.....			2	2					4	
District Columbia.....		19	2	5	6	42	4	1	13	1
Total.....	10	73	46	35	92	161	58	4	226	18

## NAVY DEPARTMENT.

Alabama.....		1			2	12			2	4
California.....					3				1	
Delaware.....			1							
Florida.....			1							
Georgia.....			1		3					
Illinois.....	1				1		1		2	
Indiana.....		1								
Iowa.....		1								
Kansas.....		1								
Louisiana.....		1			1		1			
Maine.....										
Maryland.....		2	1	1	1	9		1	1	2

## NAVY DEPARTMENT—continued.

State.	Dismissals.		Resignations.		Appointments.		Reductions.		Promotions.	
	Classified.	Unclassified.	Classified.	Unclassified.	Classified.	Unclassified.	Classified.	Unclassified.	Classified.	Unclassified.
Massachusetts.....		2	1		4		2	1	3	
Michigan.....					3				3	
Minnesota.....					12				12	
Mississippi.....					1				1	
Missouri.....					4					
New Hampshire.....		1								
New Jersey.....			1		6				2	
New York.....		6	1	1	2	4	2		5	
North Carolina.....			1		1	12			5	
Ohio.....					6	3			5	
Oregon.....									2	
Pennsylvania.....		12	1		2	4				2
South Carolina.....				1					1	
Tennessee.....		3			1	1	1		2	1
Texas.....					2	2				
Vermont.....				1						
Virginia.....		3		2	1	8	1	1	3	3
Wisconsin.....			1							
District of Columbia.....	4	23	4	11	5	18	8	8	5	5
Total.....	4	48	13	17	39	80	20	6	43	19

## INTERIOR DEPARTMENT.

Alabama.....	7	5	2	7	7	15	3		28	
Arkansas.....	4	1	2	2	2	13	1		16	
California.....	6	2	5	4	13	10	5	1	15	4
Colorado.....	2	2	4	4	6	2			4	6
Connecticut.....	2	3	3	6	22	1			13	17
Delaware.....	1	3	1	2	7	1			3	
Florida.....	2	1	3		6	0			5	
Georgia.....	6	11	0	15	23	82	10	4	56	15
Idaho.....	1	1			1	2			2	
Illinois.....	23	12	16	14	42	29	34	2	65	7
Indiana.....	20	9	16	14	24	20	29		50	6
Iowa.....	8	10	10	8	14	15	16		23	1
Kansas.....	11	6	2	8	8	7	15	1	21	1
Kentucky.....	10	2	13	3	23	15	11		44	6
Louisiana.....	2	1	3	1	5	14	8		21	
Maine.....	5	3	8	2	2	5	6	1	23	
Maryland.....	9	10	4	8	19	35	19	2	36	14
Massachusetts.....	12	3	18	3	23	18	29	1	55	6
Michigan.....	5	4	10	6	15	14	18		38	2
Minnesota.....	2	4	4	2	12	19	7	1	36	2
Mississippi.....	6	4	9	5	16	14	10		26	3
Missouri.....	14	7	13	4	2	16	13		45	4
Montana.....		1	1	1					2	
Nebraska.....	3	2	3	3	3	4	10		14	
Nevada.....		1			2	1			3	
New Hampshire.....			2	2	2	4	5		6	3
New Jersey.....		3	3	3	14	15	11		36	4
New York.....	44	16	27	21	43	44	74	3	128	14
North Carolina.....	9	8	7	3	12	28	9	3	39	6
North Dakota.....		2	2	1	1	2		1	12	
Ohio.....	18	25	22	13	24	28	53		32	8
Oregon.....		3	1		4	4	1	1	3	
Pennsylvania.....	26	7	20	13	34	28	54		114	14
Rhode Island.....	1			1	2				5	3
South Carolina.....	2	5	8	2	16	18	6		24	3
South Dakota.....		2	4	2	1	3	1		12	
Tennessee.....	3	8	7	2	13	17	13		20	2
Texas.....	4	1	5	4	10	15	9	1	32	3
Utah.....					2				2	
Vermont.....	5	2	3		3	2	13		6	13
Virginia.....	14	14	8	13	14	59	32	2	64	13
Washington.....		2	2		2	2	1		6	
West Virginia.....		3	3		3	23	9		28	8
Wisconsin.....	14	3	4	12	20	23	14		30	
Wyoming.....		1		2		2			2	
District of Columbia.....	41	69	13	24	23	121	56	13	84	63
Oklahoma.....	1				3	1			3	
Total.....	333	301	296	245	525	839	630	36	1,341	228

## AGRICULTURAL DEPARTMENT.

Alabama	1	16		1	2	31			7	2
Arkansas		6		1	1	16			2	2
California	2	7		1	1	14	3	1	22	1
Colorado		2		1	3	4		1	6	6
Connecticut		4		1	2	15		1	14	5
Delaware				1	2	7		4		1
Florida		4		2		16		1	11	2
Georgia	1	13		1	1	30			10	
Idaho		1			1	8				
Illinois	1	218		12	27	236		5	7	62
Indiana	1	24		3	9	10	82	4	1	15
Iowa	1	17		2	3	16	42	5		17
Kansas	2	81		5	11	6	44		1	29
Kentucky		7		1	2	12	22		4	14
Louisiana		15				2	29		1	4
Maine		3		1		4	12		3	14
Maryland		8		1		6	43		6	45
Massachusetts	2	43		20	7	19	64	4	8	29
Michigan	4	15		3	1	11	67	3	2	47
Minnesota		8		3		27		2		29
Mississippi	1	6				28		1		6



## AGRICULTURAL DEPARTMENT—continued.

State.	Dismissals.		Resignations.		Appointments.		Reductions.		Promotions.	
	Classified.	Unclassified.	Classified.	Unclassified.	Classified.	Unclassified.	Classified.	Unclassified.	Classified.	Unclassified.
Missouri.....	4	35	1	4	17	125	5	3	32	6
Montana.....		3		1	2	23	3		7	
Nebraska.....		84	2	5	14	139	4		25	8
Nevada.....						1				
New Hampshire.....	2	3				2				
New Jersey.....	3	89				37	10		14	2
New York.....	7	115	6	8	32	101	10	6	59	10
North Carolina.....		14		1		29	1		28	4
North Dakota.....			1	1	2	10			8	
Ohio.....	7	18	2	7	13	84	4		31	3
Oregon.....		3		1	2	17	1		9	
Pennsylvania.....	3	111	2	4	25	61	11	2	32	5
Rhode Island.....				1		2			6	
South Carolina.....		13	1	1	3	37			4	
South Dakota.....		1		1	3	17	1		5	
Tennessee.....	1	12	1	2	5	51	1		18	4
Texas.....		17				45	1		9	
Utah.....					1	4	1		4	
Vermont.....	1	3	2			2	2		10	
Virginia.....	4	15	3		7	69	6	4	59	25
Washington.....	1	3				23			4	1
West Virginia.....		4	1	1	2	3			5	1
Wisconsin.....	2	27	5	0	1	49	1		15	4
Wyoming.....						1	1		2	
District of Columbia.....	7	23	4	1	13	166	20	10	60	30
Total.....	61	1,055	84	98	316	2,023	132	57	367	102

## TOTALS OF ALL THE DEPARTMENTS COMBINED.

Alabama.....	22	25	9	2	20	74	12	1	70	16
Arkansas.....	13	10	9	6	16	43	7	1	45	9
California.....	19	11	11	7	33	31	16	2	56	14
Colorado.....	5	7	6	3	11	11	3	1	12	6
Connecticut.....	11	15	7	8	9	47	27	1	30	17
Delaware.....	3	8	5	5	8	26	3	5	13	4
Florida.....	5	6	12	4	1	33	2		21	6
Georgia.....	15	30	25	19	46	141	19	4	105	17
Idaho.....	4	3	1	1	4	8			5	2
Illinois.....	53	246	43	44	127	404	79	11	207	41
Indiana.....	38	39	34	53	62	134	53	4	117	15
Iowa.....	18	36	24	22	41	69	41	2	83	11
Kansas.....	22	95	15	26	23	66	28	3	78	9
Kentucky.....	27	17	26	17	55	116	29	1	108	21
Louisiana.....	8	20	16	2	21	54	17		60	1
Maine.....	12	14	20	8	10	26	30	5	57	3
Maryland.....	34	66	44	16	49	175	51	4	170	45
Massachusetts.....	35	64	25	23	61	106	62	10	139	17
Michigan.....	20	60	20	17	44	110	37	4	142	13
Minnesota.....	6	21	17	9	26	64	17	1	104	11
Mississippi.....	12	15	19	12	37	67	20	2	74	12
Missouri.....	33	51	25	20	44	219	34	4	123	22
Montana.....		4	3	3	4	2	3		11	
Nebraska.....	8	92	11	11	23	141	19		50	10
Nevada.....	1	4	2	1	1	3	3		8	8
New Hampshire.....	10	5	6	8	7	9	17		19	4
New Jersey.....	25	69	22	13	30	91	35	4	90	12
New York.....	121	248	176	72	160	341	149	17	262	60
North Carolina.....	18	44	15	10	25	109	21	4	116	15
North Dakota.....		2	5	4	6	14	1	1	23	
Ohio.....	42	73	32	40	48	157	46	6	127	14
Oregon.....	1	6	1	3	9	22	3		22	1
Pennsylvania.....	81	217	70	47	126	190	121	8	311	44
Rhode Island.....	2	3	7	1	3	11	9		14	4
South Carolina.....	12	34	15	9	36	78	9		69	6
South Dakota.....		3	4	5	5	23	2		24	1
Tennessee.....	14	32	26	11	43	115	27	1	106	14
Texas.....	9	25	37	8	35	87	16	1	84	10
Utah.....						7	6		11	
Vermont.....	3	7				8	23	1	31	6
Virginia.....	44	55	27	27	45	235	50	7	195	63
Washington.....	1	5	2	1	6	13	3		17	2
West Virginia.....	6	27	12	23	12	94	19		54	12
Wisconsin.....	26	39	23	24	31	62	42	1	78	6
Wyoming.....	1	1	1	2		4	4		5	
District of Columbia.....	236	369	174	93	613	609	186	54	565	182
Oklahoma.....	1				4	4			8	
Total.....	1,080	2,189	1,136	747	2,053	4,460	1,406	169	4,290	754

One thousand seven hundred and eighty-nine dismissals and resignations took place in the Treasury Department alone in a trifle over three years of time, and I need not here state, for you all know, that resignations and dismissals mean practically the same thing. Note the number of those dismissed from the classified service and then note the number dismissed from the unclassified service, and reflect that there were 1,224 appointed without the intervention of the civil service, and then you will discover the fruitful field upon which Mr. Logan Carlisle operated his Procter-Carlisle machinery.

Now take the War Department. In that brief period of time

334 of those covered by the civil service were actually removed and 239 resigned, and these places filled and seized upon by the tidal wave of reform, and I believe that the Secretary of War was as free from deliberate violation of the principles of the law as any other Cabinet officer.

Now we come to the Interior Department; 1,195 dismissals and resignations took place in that happy family under the administration of Hon. Hoke Smith, 649 of them being in the classified service; and he appointed 829 men, unexamined, outside the civil service, and then placed the tentacles of the octopus upon them. Georgia received 105 appointments to fill these vacancies, only 23 from the classified service and 82 from the unclassified service, but they are all classified now; there is no trouble about that. Now take the promotions and reductions and study them carefully and you have reached a comprehension of the magnitude of this sweep—all done under the head of civil-service reform.

Now let us go to the Agricultural Department, presided over by that distinguished gentleman who was so aptly described on so many occasions on the floor of this House. He dismissed 1,116 men, 1,055 of them in the unclassified service. He appointed 2,033 from the unclassified service, and then the white wings of Cleveland enveloped and shadowed them. He promoted in the classified service 867, and at the end of the performance he had a civil-service department pure and simple, substantially all Democratic; and the man who managed that and dealt the awful blows to the soldiers employed in that Department is to-day holding a high position under this Government because of his alleged non-partisan character. I refer to Mr. Dabney, and I present in this connection an anonymous communication—that is, so far as its use in this connection is concerned—giving an account of the administration of the affairs of that Department, which I commend to the student of civil-service reform as indicating what it is possible for an Assistant Secretary of a Department to do:

WASHINGTON, D. C., March 22, 1897.

HON. JAMES WILSON,  
Secretary of Agriculture.

SIR: Having learned through the public prints that Dr. C. W. Dabney is to be appointed special agent in the Department of Agriculture, in charge of the scientific divisions thereof, I desire to file for your consideration the following protests:

For three years and three months Dr. Dabney has had full direction of the scientific work of the Department, and his unfitness for the position to which it is intended to appoint him has been demonstrated in many ways.

A few facts of common notoriety may serve to impress you with the necessity of a careful and timely consideration of the subject before final action is taken.

Dr. Dabney was selected by Mr. Morton as his coadjutor in the Department because of his full sympathy with the policy of repression, persecution, and sham reform which he wished to establish in the Department. It is too late now for Dr. Dabney to declare that he was opposed to those policies which during the past few years have brought so much criticism upon the Department. He did not fail to secure the appointment of dozens of his personal and political friends before the extension of the classified service, and to provide for their rapid advancement afterwards. It was only when asked to do anything for science alone, and not intended to advance his own personal interests, that he was found without influence with the Secretary.

It would be of interest if you would make inquiry respecting the number of persons Dr. Dabney has appointed to responsible positions, the localities from which they came, and their political affiliations.

There was a reign of terror during the past four years among such employees of the Department of Agriculture as were not personal favorites of the two secretaries nor in political sympathy with them as was without parallel in any other Department.

In his relations to the scientific work of the Department Dr. Dabney's attitude has been most objectionable. Almost his first act was the dismemberment of the Division of Botany for the sake of establishing a new division, of which he appointed as chief a personal friend from Knoxville. Without criticizing the qualifications of that gentleman, it is sufficient to call attention to the fact that the work could have been more economically and efficiently accomplished in the Division of Botany.

The work which Congress has authorized the Division of Forestry to accomplish has been hindered and thwarted in opposition to the earnest efforts which the chief of that division has put forth to carry it out.

Under the administration of Secretary Rusk the chief of the chemical division secured from Congress an appropriation for a systematic study of the physical and chemical composition of the soils of the United States, as you can see by consulting the appropriation bill for the fiscal year beginning the 1st of July, 1896. Without the knowledge of the chief chemist, Dr. Dabney established a new division for the study of soils, of which he appointed another personal friend chief. I cast no reflection on the capabilities of that gentleman, but the work could have been more efficiently and economically accomplished in the division where Congress first placed it, and where it naturally belongs.

Under a continuation of this policy other divisions may expect to see their work taken away and an endless multiplication of separate offices will follow. Instead of unifying and consolidating the scientific work of the Department, Dr. Dabney has divided and scattered it in order to reward personal and political friends, to annoy and antagonize old and experienced employees, and thus magnify the importance of his own supervisory qualifications. Not satisfied with the policy of divide et impera outlined above, he has farmed out the scientific work of the Department in all quarters where it has been possible to strengthen his personal following and create a sentiment to secure his retention for life in an office which would be lucrative and ought to be honorable.

He has inaugurated a policy of contract science by which his personal and political friends have been employed at so much a page to write articles for the Year Book and for farmers' bulletins which could have been done far better and without cost in the Department. Permit me to suggest that you make inquiry respecting the persons who have been employed in this way, how much they have been paid, and how many of them have signed, or have procured others to sign, petitions for the establishment of a directorate of scientific divisions.

Many of these contributions are of the flimsiest character, and some of them contain errors of so gross a nature as to bring the Department into discredit.

During the past two years Dr. Dabney has spent a great portion of his time in developing a plan to secure the establishment of the office of Director of Scientific Divisions, with an object which it does not require anyone with any great insight into human nature to understand. Many worthy and honest men have been led to join in this movement without thinking it possible that their aid could have been solicited for any unworthy personal motive. Dr. Dabney has left no resources untried to bring to the attention this scheme, not unworthy perhaps in principle, but wholly objectionable on account of its ill-concealed purpose.

He has endeavored to enlist the scientific men of Washington in this exhibition of political science, and has thereby almost succeeded in degrading science to the level of ward politics. Describing himself as a "broadly educated scientific man," he seeks to direct the work of men his easy superiors in education, scientific attainments, and reputation.

He has disregarded the spirit if not the letter of the civil-service law in having filled the Department with his personal followers before the civil-service law was extended. Twice he has disregarded the recommendation of the chief of the chemical division in filling the office of first assistant chemist. In the first instance the position was not in the classified service. Dr. Dabney, disregarding the advice of the chief chemist, appointed a personal friend and college mate, who had absolutely no experience in agricultural chemistry, was an alien, and before he could qualify was compelled to declare his intention of some day becoming an American citizen.

Surely a man of the standing of the chief of the chemical division in the scientific world should be respected in the matter of the selection of his first assistant, but this courtesy has been twice denied by Dr. Dabney.

The second occasion occurred after the office was in the classified service. The chief of the division recommended the regular promotion of the second assistant, and for the vacancy thus created the next employee in the regular line of promotion. These two gentlemen were "broadly educated scientific men," and one of them had had the executive experience of second assistant chemist for four years, having been regularly promoted to that position by Secretary Rusk on the recommendation of the chief of the division. During these four years he had frequently discharged the duties of acting chemist in an acceptable manner.

Both the gentlemen recommended for promotion had entered the service after an exhaustive competitive examination before the Civil Service Commission, in which the present second assistant secured the highest grade ever received by an applicant for a position in the Chemical Division. In accordance with the spirit of the civil-service rules, these gentlemen, on the recommendation of the Chief Chemist, were entitled to promotion. But such was not to be. Dr. Dabney wrote to a number of his friends and told them that an examination was to be held and urged them to become applicants for the position. I need not call your attention to the disappointment and demoralization which the action of the Assistant Secretary naturally has caused among the deserving employees in the classified service. In no other case, I believe, has the recommendation of a chief of a scientific division been disregarded respecting the appointment of a first assistant.

Not content with the political methods of enlisting the scientific men in favor of his schemes, he has had printed and distributed at public expense, without any warrant of law, the additional recommendations not contained in the Senate document giving his testimony before the Senate committee.

He has caused to be printed in the magazine Science an article on the desirability of establishing a scientific directorate and also a national university. Reprints of these articles he has sent out under the frank of the Department contrary to law.

In scientific work a man's merits or demerits should not be judged by his politics, but when it is clearly evident that a man not in sympathy with a single principle of the Administration has discriminated unjustly against those who are in political sympathy therewith, and who, moreover, has shown a lack of that broadness of view and freedom from personal bias so necessary in one who aspires to direct scientific work, simple justice demands that time should be taken to look into the matter before final action is accomplished.

Each one of the statements I have made above is capable of satisfactory proof, and as the father of one who has suffered from the discriminations noted, I ask that a full investigation be made before the appointment of Dr. Dabney as scientific director is consummated.

They succeeded during this Administration in getting out of these Departments 1,028 Union soldiers. Five hundred and fifty were appointed, but largely by promotion from lower grades, and this is the performance that stands to-day unrebutted, excepting that so far as pursuant to the rules of the civil service the President has reinstated, through his Cabinet officers, a large number of Union soldiers who were discharged. I shall speak of this matter more fully later on.

I have here some evidence tending to show how even this law itself furnishes no assurance of protection to anybody and how the Civil Service Commission is kept in constant ignorance of what is going on in the Departments. I assume this allegation, for I will not charge that body with crime.

I furnish here a list of Democrats promoted with especial rapidity in the office of the Auditor for the Post-Office Department, under the Treasury Department, during Grover Cleveland's Administration, and I want the thinking men who reflect that the future of this country is more or less intimately bound up in the administration of the civil service, to read the manipulations which have taken place in this office. I give the original appointment, the State from which the appointee came, and the rate of salary from that date to the date of the several promotions. As to illustrate, in the case of C. C. Jones, of Alabama, he was promoted on the 15th of July, 1894, from \$900 to \$1,200, and on the 17th of October, 1895, from \$1,200 to \$1,400. Take the case of Norman E. Webster, a sterling Democrat from Michigan, and he received four promotions in a trifle over one year, working his way by arithmetical progression seldom experienced in public life from \$720 to \$1,400.

I have marked with a star certain of those gentlemen who were promoted within the probationary period of six months in violation of civil-service rules and regulations.

List of Democrats promoted with especial rapidity in the Office of the Auditor for the Post-Office Department (Treasury Department), during Grover Cleveland's Administration, March 4, 1893, to March 3, 1897.

[Where no date of appointment is given, party was in service March 4, 1893.]

Name.	State.	Appointment.		Promoted.		Date of promotion.
		Date.	Grade.	From—	To—	
C. C. Jones.....	Ala.....	June 13, 1894	\$900	\$900	\$1,200	July 15, 1894
R. M. Carlisle.....	do.....	July 27, 1894	1,200	1,200	1,400	Oct. 17, 1895
H. O. Nettleton.....	Conn.....			1,200	1,400	Sept. 13, 1894
J. N. Baker.....	Kans.....			1,200	1,400	Feb. 13, 1895
J. H. Clark.....	do.....			1,200	1,400	Aug. 3, 1893
Joshua Stone.....	Ky.....			1,200	1,400	July 15, 1894
Geo. E. Rosen.....	do.....			1,200	1,400	May 12, 1893
Chas. Williams.....	do.....			1,200	1,400	Oct. 11, 1894
John A. Stagg*.....	La.....	Mar. 7, 1895	720	720	840	Aug. 3, 1893
Miss L. Cartwright.....	Md.....			720	840	Oct. 12, 1894
Mrs. W. J. Stanford.....	do.....			840	900	Aug. 3, 1893
Norman E. Webster.....	Mich.....	Sept. 30, 1893	720	720	840	Jan. 26, 1895
A. H. Gibbs, Republican.....	do.....			840	900	Mar. 6, 1896
H. C. Long*.....	Miss.....	Feb. 19, 1895	720	720	840	Aug. 12, 1893
Miss L. B. Isaacs.....	do.....			840	900	June 21, 1894
Charles A. Hays.....	Mo.....	June 9, 1894	1,000	1,000	1,200	Apr. 9, 1894
Miss F. A. Weeks.....	Nev.....			1,000	1,200	July 11, 1894
Richard Washington.....	N. Y.....	June 21, 1894	1,000	1,000	1,200	Feb. 13, 1895
P. H. McDevitt.....	do.....			1,200	1,400	Aug. 5, 1895
Clarence Crist.....	do.....			1,200	1,400	Mar. 4, 1896
W. A. Walsh*.....	N. Dak.....	Aug. 29, 1895	720	720	840	May 1, 1896
Abel Hart.....	Ohio.....			840	900	Jan. 1, 1896
Miss E. J. McGeagh.....	do.....			900	1,000	Mar. 4, 1896
A. M. Condra.....	Oreg.....	May 14, 1894	720	720	840	Sept. 11, 1893
R. C. Williams.....	Pa.....	Sept. 26, 1893	720	720	840	Oct. 11, 1894
M. C. Flohr, Republican.....	do.....	Sept. 14, 1893	720	720	840	July 11, 1894
Benton Kohler.....	do.....			840	900	Sept. 25, 1893
Geo. H. Wistar.....	do.....			900	1,000	June 23, 1894
L. D. Brosius.....	do.....			1,000	1,200	July 11, 1894
S. A. Foote.....	do.....			1,200	1,400	Jan. 20, 1896
Miss Mary Fox.....	do.....			720	840	Mar. 4, 1896
J. E. Harper.....	S. C.....			840	900	Oct. 10, 1894
N. T. Worley.....	Tenn.....	May 14, 1894	720	720	840	Nov. 17, 1894
U. R. Webb.....	do.....			840	900	Apr. 9, 1894
J. H. Allen†.....	do.....	Aug. 1, 1893	720	720	840	July 11, 1894
S. B. Bain*.....	Tex.....	Apr. 15, 1895	720	720	840	Sept. 22, 1893
H. C. Wilmoth.....	do.....			840	900	Aug. 5, 1895
William Bailey.....	do.....	May 9, 1895	720	720	840	Mar. 4, 1896
Lee N. Lipscomb.....	do.....			840	900	May 12, 1893

\* Promoted within probationary period of six months in violation of civil-service rules and regulations.

† Appointed as assistant messenger.



List of Democrats promoted with especial rapidity, etc.—Continued.

Name.	State.	Appointment.		Promoted.		Date of promotion.
		Date.	Grade.	From—	To—	
W. S. Barber.....	Wis.....			\$840 1,000	\$1,200 1,400	Aug. 31, 1893 May 15, 1894 Mar. 19, 1896
W. A. Earhart*.....	Utah... Feb. 10, 1895		\$730	720 840	900 1,000	May 1, 1895 Oct. 17, 1895 Dec. 1, 1895
Thos. H. Smith.....	Va.....			720 1,000	1,000 1,200	May 12, 1893 June 1, 1894
James Taylor.....	do.....			1,400 1,800	1,800 2,000	Aug. 8, 1893
J. R. White.....	D. C.....			1,400 1,800	1,800 2,000	Aug. 3, 1893
Chas. F. Cummins.....	do.....			900 1,200	1,200 1,400	Aug. 8, 1893 June 7, 1894
Mrs. J. E. Wilson.....	do.....			470 720	720 840	Nov. 2, 1894 Jan. 26, 1895 July 1, 1895
Miss A. M. Polk.....	Ga.....			900 1,200	1,200 1,400	Dec. 4, 1893 Oct. 1, 1894
D. B. Constantine.....	do.....			1,000 1,200	1,200 1,400	June 15, 1894 Oct. 19, 1894

\* Promoted within probationary period of six months in violation of civil-service rules and regulations.

I here publish a letter which I received, transmitting this document, which had been in the hands of my correspondent, who had held it for the purpose of verification. It will be seen how he was amazed when he came to find that all but two of this list of rapid promotions, including the illegal promotions that were made, were Democrats.

HON. CHARLES H. GROSVENOR,  
House of Representatives.

WASHINGTON, D. C., April 21, 1897.

MY DEAR SIR: I submit herewith, in tabulated and condensed form, some data which I thought might prove of interest to you. I have carefully compiled it from House Document No. 180, Fifty-fourth Congress, second session. While precisely the same data are given in that document, they are not arranged in a form that would at all serve to bring out clearly and boldly the point I make in the table. A brief perusal of the table will show you the true extent to which favoritism was shown Democratic clerks in the civil service. It will also show you a few cases where promotions were made, even within the probationary period of six months, apparently a violation of existing civil-service rules and regulations.

I will add that in compiling the table I made a note of every case of rapid promotion as it occurred in regular order, irrespective of the politics of the

clerk, my intention being to draw a comparison between Republicans and Democrats as regards rapid promotions in this office. However, when I came to applying their politics to the respective clerks from the official record in this office, I found to my amazement that all but two of the clerks in the list were Democrats. Of course I abandoned the idea of a comparison, as in the light of such facts no comparison could be made. The table I inclose contains the list as originally prepared by me, with the solitary two Republicans duly indicated. I have added promotions in cases where they were made after the issuance of the document from which these statistics are taken (House Document No. 180, etc.).

In presenting you with this table, I distinctly disclaim any desire whatever of personal reflection on any of the clerks named; I merely wish to bring to your knowledge in a general way, and at a glance, how beautifully and impartially the civil-service law and the "merit system" was administered in the office I am in—the Sixth Auditor's Office, Treasury Department—and incidentally to point out to you a few mild violations of the said civil-service rules, as concerns promotions—knowing, as I do, that you have given some time to the study of the civil-service application during the Democratic Administration just ended, and that facts bearing on the matter will perhaps prove of some value to you in a small way.

In designating the promotions made within the probationary period, I did so from personal knowledge in the cases of S. B. Bain, Texas; W. A. Earhart, Utah, and H. C. Long, Mississippi. In the other cases it is possible that promotions were made after a transfer from another Department, which an inquiry at the Civil Service Commission would elicit, and I have governed myself in those cases strictly by statistics given in House Document No. 180, etc.

If you find the table of any interest, I shall be pleased to give you such other information as I may be able to obtain bearing on the subject. Of course I know that you will extend to me the courtesy of treating the matter, so far as I am concerned, in business confidence. The information is cheerfully given, without the slightest attempt or intention at personal reflection on the individuals whose names are given.

I hold in my hand, Mr. Speaker, a list of twelve persons, each one of whom I believe to have been appointed in violation of the civil-service law. I do not wish to publish the names, but I hold the list subject to the inspection of any gentleman who sees fit to verify my statement. One of them was discharged from the War Department for cause and appointed in the Internal Revenue Bureau and promoted to a fourteen-hundred-dollar place. Mr. Speaker, this is but a specimen of what has been going on, steadily, constantly, and persistently.

I furnish as a part of my address, and to illustrate my statement that neither system nor justice nor fairness has marked the administration of this law, the operations of the Land Office from June 30, 1893, to June 30, 1896. It presents to the American people the mode of operation by which the civil-service law can be prostituted to the vile purposes of the spoilsman. I present the tables first. Here they are:

#### Dismissals in the General Land Office, June 30, 1893.

Dismissals made in the General Land Office June 30, 1893, under provisions of the Dockery report, House Report No. 2350, Fifty-second Congress, second session, to accompany the legislative, executive, and judicial appropriation bill for the year ending June 30, 1894 (H. R. 10331).

That report provided for a reduction of two clerks of class 4, at \$1,800 each; six of class 3, at \$1,600 each; fourteen clerks of class 2, at \$1,400 each; twenty clerks of class 1, at \$1,200 each; sixteen clerks at \$1,000 each, and ten copyists at \$900 each—sixty-eight in all, with salaries aggregating \$31,800.

From the best obtainable data at this time the names herewith submitted indicate the clerks, with their salary and official residence, who were dismissed, as well as the politics of the same, namely, six clerks of class 4, at \$1,800 each; nineteen clerks of class 3, at \$1,600 each; fifteen clerks of class 2, at \$1,400 each; twelve clerks of class 1, at \$1,200 each; ten clerks at \$1,000 each; seven clerks at \$900 each, and one clerk at \$800; total, seventy in all.

Name.	Whence appointed.	Date of original appointment.	Date of dismissal.	State.	Congressional district.	Compensation.
<b>CLASS 4.</b>						
Jecko, Stephen H. (D.)	Missouri	Aug. 7, 1879	June 30, 1893	Missouri	Twelfth	\$1,800
Johnson, James G. (R.)	Pennsylvania	Apr. 30, 1879	do	Pennsylvania	Twenty-fourth	1,800
Lauffer, John B. (R.)	do	July 1, 1875	do	do	Twenty-first	1,800
Lawrence, Centre H. (R.)	Maryland	Feb. 10, 1866	do	Maryland	Sixth	1,800
Spalding, William L. (R.)	New York	Oct. 15, 1880	do	District of Columbia		1,800
Trowbridge, Samuel S. (R.)	Michigan	Apr. 15, 1880	do	Michigan	Sixth	1,800
<b>CLASS 3.</b>						
Nott, William E. (R.)	District of Columbia	June 30, 1871	do	District of Columbia		1,600
Adams, Nelson D. (R.)	Vermont	July 9, 1869	do	Vermont	First	1,600
Babbitt, Henry W. (R.)	Pennsylvania	Mar. 1, 1863	do	Pennsylvania	Twenty-sixth	1,600
Burton, William S. (D.)	Kansas	Apr. 7, 1881	do	Kansas	Fifth	1,600
Clark, Horace L. (R.)	Missouri	June 4, 1881	do	Missouri	Seventh	1,600
Contee, Aleck W. (R.)	Nebraska	June 4, 1883	do	Nebraska	Fourth	1,600
Crawshaw, Benj. F. (R.)	Pennsylvania	June 2, 1881	do	Pennsylvania	Sixth	1,600
Driver, John P. (R.)	Iowa	Aug. 24, 1866	do	Iowa	Second	1,600
Gregory, Charles S. (R.)	New York	July 1, 1872	do	New York	Twenty-eighth	1,600
Haslam, George T. (D.)	Pennsylvania	Nov. 28, 1881	do	Pennsylvania	Third	1,600
Holmead, Alfred (D.)	District of Columbia	June 12, 1877	do	District of Columbia		1,600
Howell, John F. (R.)	Illinois	Sept. 27, 1884	do	Illinois	Seventeenth	1,600
Kilpatrick, Ephraim (R.)	Iowa	May 28, 1865	do	Iowa	First	1,600
Moore, William A. (R.)	Illinois	Nov. 4, 1875	do	Illinois	Fifth	1,600
McNulty, Michael (R.)	New York	June 30, 1893	do	New York		1,600
Smith, Wesley D. (R.)	Virginia	June 16, 1870	do	do	Twenty-seventh	1,600
Snow, Samuel W. (R.)	North Carolina	Apr. 21, 1877	do	North Carolina	Fifth	1,600
Stockton, John W. (R.)	Pennsylvania	July 13, 1883	do	Pennsylvania	Second	1,600
Van Deusen, Albert H. (R.)	New York	Sept. 22, 1880	do	New York	Twentieth	1,600
<b>CLASS 2.</b>						
Archibald, Miss Clara M. (R.)	Kansas	Jan. 5, 1875	do	Kansas	Second	1,400
Bogue, George W. (R.)	New York	Apr. 7, 1881	do	New York	Eighth	1,400
Brown, John A. (D.)	Pennsylvania	Oct. 29, 1870	do	Pennsylvania	Fourth	1,400
Childs, Jonathan W. (R.)	Maryland	Aug. 5, 1879	do	Maryland	Fifth	1,400
Duncan, Edmund A. (R.)	Mississippi	May 8, 1878	do	Mississippi	Third	1,400
Grigsby, Willis H. (D.)	Georgia	Aug. 1, 1879	do	Georgia	Fifth	1,400
Hanford, William H. (R.)	New York	Feb. 13, 1871	do	New York	Thirty-first	1,400
Hiltman, Abe B. (R.)	do	May 19, 1877	do	do	Twelfth	1,400

a Reduced to \$1,300 and transferred to Post-Office.

Dismissals in the General Land Office, June 30, 1893—Continued.

Name.	Whence appointed.	Date of original appointment.	Date of dismissal.	State.	Congressional district.	Compensation.
CLASS 2—continued.						
Hoperton, Miss Anne (R.)	Ohio	Nov. 14, 1870	June 30, 1893	Ohio	Twelfth	\$1,400
Kanouse, Charles M. (R.)	Wisconsin	Dec. 8, 1880	do	Wisconsin	Second	1,400
Kohr, David (R.)	Pennsylvania	Apr. 3, 1871	do	Pennsylvania	Nineteenth	1,400
Pearce, Mrs. Emma E. (R.)	New York	May 22, 1874	do	New York	Eighteenth	1,400
Rudolph, Mrs. Maud A. (R.)	Kansas	Feb. 25, 1881	do	Kansas	Fourth	1,400
Wilchens, Henry F. (R.)	New York	July 11, 1870	do	New York	Twentieth	1,400
Webster, William G. (R.)	Iowa	June 21, 1889	do	Iowa	Third	1,400
CLASS 1.						
Bergevin, Peter G. (R.)	Mississippi	Feb. 2, 1871	do	Mississippi	Sixth	1,200
Campbell, James I.	Pennsylvania	Oct. 18, 1889	do	Pennsylvania	Twenty-first	1,200
Dodge, Mrs. L. C.	New Hampshire	Sept. 11, 1882	do	New Hampshire	Second	1,200
Gray, Mrs. Helen E. (R.)	Nebraska	Feb. 27, 1884	do	Nebraska	do	1,200
Jackson, Samuel B.	District of Columbia	Aug. 11, 1880	do	District of Columbia	do	1,200
Joyner, Miss Elsie	Vermont	July 16, 1889	do	Vermont	First	1,200
Levy, Miss Cordelia	New York	Jan. 11, 1877	do	New York	do	1,200
Mahoney, Felix E.	do	Apr. 22, 1882	do	do	Fifteenth	1,200
Norris, James J. (D.)	do	Nov. 1, 1888	do	do	Ninth	1,200
Perry, Mrs. Belle	Illinois	July 30, 1880	do	Illinois	Third	1,200
Wilson, Miss Emma B. (R.)	Massachusetts	May 8, 1878	do	Massachusetts	Eleventh	1,200
White, Miss Louise	New Jersey	Jan. 24, 1880	do	New Jersey	Fourth	1,200
Piper, Miss Anne E. (R.)	Pennsylvania	Apr. 26, 1882	do	Pennsylvania	Seventh	1,000
Gies, Mrs. Johanna H. (D.)	Missouri	Sept. 11, 1889	do	Missouri	Tenth	1,000
Goff, Miss Mary A.	District of Columbia	June 30, 1880	do	District of Columbia	do	1,000
Hall, Mrs. Fanni E. (R.)	Maine	June 11, 1889	do	Maine	First	1,000
Fleming, Mrs. Susan V. (D.)	South Carolina	Sept. 21, 1885	do	South Carolina	Fourth	1,000
Inge, Hutchins (R.)	Missouri	July 20, 1889	do	Missouri	Twelfth	1,000
Lyman, Mrs. Callena H. (R.)	Illinois	July 8, 1882	do	Illinois	Third	1,000
Northrup, Mrs. May	Colorado	Apr. 25, 1888	do	Colorado	Second	1,000
Patterson, John E. (R.)	North Carolina	July 3, 1883	do	Arkansas	First	1,000
Townsend, David S. (R.)	New Jersey	July 11, 1893	do	New Jersey	do	1,000
Atkinson, James C. (R.)	Georgia	Nov. 6, 1880	do	Georgia	do	900
Woode, Charles H. (R.)	Mississippi	Feb. 2, 1890	do	Mississippi	Seventh	900
Campbell, Thomas (R.)	Missouri	Feb. 5, 1882	do	Missouri	do	900
Laundon, Miss Ada C. (D.)	California	June 3, 1879	do	California	First	900
Dean, Fred I. (R.)	Arkansas	Feb. 5, 1891	do	Arkansas	Second	900
Coleman, Miss Mary M. (D.)	Virginia	June 1, 1888	do	Virginia	Second	900
Wells, Miss May (D.)	Maryland	Apr. 20, 1888	do	Maryland	do	900
Peterson, John P. (R.)	Illinois	July 14, 1883	do	Illinois	Tenth	900

Reductions in the General Land Office June 30, 1893, and since to June 30, 1896.

Name.	Where appointed.	Date.	Reduced.		Legal residence.		
			Date.	From—	To—	State.	Congressional district.
Gridley, Mrs. Ann E. (R.)	Michigan	Feb. 13, 1880	June 30, 1890	\$800	\$600	Michigan	Third.
Hayden, Miss Alice M. (R.)	Tennessee	July 2, 1887	Aug. 31, 1894	720	600	Tennessee	Sixth.
Clement, Mrs. Emma F. (R.)	Massachusetts	Mar. 20, 1882	June 30, 1893	1,000	900	Massachusetts	Ninth.
			Sept. 13, 1893	900	600		
Cook, Mrs. Laura E.	Missouri	June 2, 1881	June 30, 1893	1,000	900	Missouri	Sixth.
Cruit, Miss Lillie F. V.	District of Columbia	Apr. 2, 1893	do	1,000	900	New York	Fifth.
Foster, Mrs. Elizabeth P.	New Hampshire	Mar. 8, 1878	do	1,200	900	New Hampshire	First.
Lehigh, Mrs. Maggie E.	Maryland	July 12, 1893	do	1,000	900	Maryland	Fourth.
McAlpine, Mrs. Mary E.	Michigan	Mar. 20, 1882	do	1,000	900	Michigan	Fifth.
Prude, Mrs. Phoebe M.	South Carolina	Apr. 28, 1880	July 19, 1894	1,200	900	South Carolina	Second.
Sinclair, Walter F. (D.)	Virginia	July 17, 1888	July 12, 1895	1,000	900	Virginia	Second.
Starkey, Mrs. Augusta C. (R.)	Maine	Feb. 1, 1877	June 30, 1893	1,200	900	Maine	Third.
Andrus, Jonathan M. (R.)	Connecticut	Feb. 27, 1890	July 19, 1894	1,200	1,000	Connecticut	Second.
Cover, Mrs. Ada (D.)	Wisconsin	Apr. 21, 1888	June 30, 1893	1,200	1,000	Wisconsin	Third.
Cromwell, Thomas (R.)	Maryland	June 30, 1893	Feb. 8, 1894	1,400	1,000	Maryland	Do.
De Jarnette, Miss E. B. (D.)	Virginia	July 1, 1897	June 30, 1896	1,200	1,000	Virginia	Second.
Gourick, Mrs. Mary I. (R.)	New Mexico	June 28, 1890	Sept. 13, 1893	1,200	1,000	New Mexico	do.
Kelly, Mrs. Lucretia M. (R.)	Massachusetts	Oct. 9, 1880	do	1,200	1,000	Massachusetts	Thirteenth.
Lumsdon, Miss Mary A. (R.)	Maryland	July 6, 1889	do	1,200	1,000	Maryland	Sixth.
Stagg, Miss Ada M. (R.)	Ohio	Mar. 20, 1882	do	1,200	1,000	Ohio	First.
Buckman, Miss Sarah A. (R.)	Pennsylvania	Apr. 29, 1879	June 30, 1893	1,400	1,200	Pennsylvania	Fifth.
Foot, Gilbert E. (R.)	New York	Oct. 18, 1889	do	1,400	1,200	New York	Twenty-sixth.
McManis, Mrs. Annie P.	Kansas	Mar. 9, 1882	do	1,400	1,200	Kansas	Third.
Niles, Mrs. Rosa B. (R.)	Illinois	May 25, 1875	do	1,400	1,200	Illinois	First.
Rock, Mrs. Annie M. (D.)	Virginia	July 17, 1886	July 19, 1894	1,400	1,200	Virginia	Do.
Van Winkle, Mrs. S. E.	West Virginia	Mar. 19, 1882	June 30, 1893	1,400	1,200	West Virginia	Fourth.
Broadhead, Mark (R.)	Pennsylvania	June 30, 1893	Aug. 21, 1894	(b)	1,400	Pennsylvania	Eighth.
Clarke, Charles M.	New York	Mar. 11, 1882	June 30, 1893	1,400	1,400	New York	Twelfth.
Diltz, Andrew H. (R.)	Indiana	Dec. 21, 1881	do	1,400	1,400	Indiana	Eleventh.
Hobbs, Angier M. (R.)	Texas	Mar. 23, 1875	do	1,800	1,400	Texas	Tenth.
Shope, Edwin I. (R.)	Maryland	Aug. 5, 1879	do	1,600	1,400	Maryland	Sixth.
Stiles, Albert W.	Minnesota	May 20, 1887	do	1,600	1,400	Minnesota	Seventh.
Stokes, Theodore F. (R.)	Indiana	May 28, 1881	do	1,600	1,400	Indiana	Tenth.
Babbitt, Charles H. (D.)	Iowa	June 1, 1877	do	1,800	1,600	Iowa	Ninth.
Brown, Calvin S. (R.)	Kansas	July 2, 1879	do	1,800	1,600	Kansas	Third.
Boyd, William H. (R.)	Minnesota	Mar. 9, 1876	July 12, 1895	1,800	1,600	Minnesota	First.
Backus, William H. (R.)	Vermont	Feb. 9, 1871	Apr. 10, 1896	1,800	1,600	Vermont	Do.
Boynton, Charles A. (R.)	Ohio	Sept. 10, 1870	Oct. 19, 1894	1,800	1,600	Ohio	Fourteenth.
Cline, George H. (R.)	Maryland	July 11, 1871	Jan. 8, 1894	1,800	1,600	Maryland	Third.
Ogden, Gabriel V. N. (R.)	New York	Aug. 5, 1879	June 30, 1893	1,800	1,600	New York	Sixteenth.
Pierce, Daniel T. (R.)	Michigan	Dec. 26, 1882	do	1,800	1,600	Michigan	Sixth.
Zieher, Charles W. (R.)	Maryland	July 31, 1880	July 12, 1895	1,800	1,600	Maryland	Second.
Clements, Frances W. (R.)	Missouri	July 29, 1880	June 15, 1893	2,000	1,800	District of Columbia	do.

a Dismissed; father soldier.

b Geological Survey.



Promotions in the General Land Office, June 30, 1893, and since then to June 30, 1896.

Name.	Whence appointed.	Date of original appointment.	Promoted.			Present legal residence.	
			Date.	From—	To—	State.	Congressional district.
Cook, Paul (D.)	Arkansas	May 4, 1894	May 4, 1894	(a)	\$900	Arkansas	First.
George, Peter C. (R.)	California	Feb. 6, 1892	Sept. 1, 1894	\$900	900	California	Seventh.
Finney, Edward C. (D.)	Kansas	Sept. 1, 1894	do	(a)	900	Kansas	Second.
Hunter, Edward H. (D.)	North Carolina	Aug. 27, 1894	Aug. 15, 1895	600	900	North Carolina	Fourth.
Hutcheson, Robert (D.)	Louisiana	July 1, 1887	July 19, 1894	(f)	900	Louisiana	Second.
Lammond, Miss Ada C. (D.)	California	June 3, 1879	Mar. 28, 1894	(b)	600	California	Fourth.
Pettit, Miss Mary E.	Arkansas	Apr. 6, 1889	May 1, 1894	600	900	Arkansas	Second.
Smith, Martha C.	Indiana	Nov. 12, 1892	Sept. 1, 1894	600	900	Indiana	First.
Tapp, Miss Ida.	West Virginia	Apr. 3, 1888	July 19, 1894	600	900	West Virginia	Second.
Wilson, Miss Emma B. (R.)	Massachusetts	May 8, 1879	June 23, 1894	(b)	600	Massachusetts	Eleventh.
Barber, Mrs. Mabel J. (D.)	Missouri	Dec. 14, 1888	Sept. 25, 1895	600	900	Missouri	Seventh.
Blandford, Miss Blandine (R.)	District of Columbia	Apr. 3, 1888	June 30, 1893	900	1,000	Maryland	Fifth.
Bush, Miss Anna B.	New York	Apr. 8, 1890	do	900	1,000	New York	Twenty-first.
Ebaugh, Charles L.	Missouri	June 8, 1894	Feb. 8, 1894	(a)	1,000	Missouri	Ninth.
Garnett, Miss Ella L. (D.)	Virginia	Apr. 6, 1888	June 30, 1893	900	1,000	Virginia	Second.
Holderman, Marion F. (R.)	Illinois	Apr. 8, 1891	do	900	1,000	Illinois	Fifteenth.
Kirkus, Miss Ethel B.	Maryland	Nov. 17, 1890	do	900	1,000	Maryland	Second.
Leonard, Arthur J. (D.)	Michigan	July 25, 1894	July 25, 1894	600	900	Michigan	Fifth.
Leslie, Newton G. (D.)	do	Nov. 21, 1893	Mar. 29, 1895	900	1,000	do	Third.
Matthews, Miss Margaret L.	Maryland	Apr. 5, 1889	June 20, 1895	900	1,000	Maryland	Fourth.
McLeod, Mrs. Helen V. (D.)	Virginia	Mar. 1, 1893	Jan. 17, 1893	900	1,000	Virginia	Sixth.
Rose, Miss Annabel (D.)	Georgia	Aug. 1, 1891	June 30, 1893	900	1,000	Georgia	Tenth.
Sinclair, Walter F. (D.)	Virginia	July 17, 1888	Apr. 10, 1896	900	1,000	Virginia	Second.
Specht, Henry H. (R.)	Pennsylvania	July 11, 1890	Feb. 5, 1894	900	1,000	Pennsylvania	Eighteenth.
Stutts, Rufus A. (P.)	North Carolina	June 11, 1890	Mar. 23, 1894	900	1,000	North Carolina	Seventh.
Biehl, William F.	Ohio	Jan. 19, 1891	June 30, 1893	1,000	1,200	Ohio	Twelfth.
Bond, Nimrod (R.)	Maryland	Sept. 1, 1867	do	900	1,200	Maryland	Fifth.
Bouldin, Miss Ellie B. (D.)	Virginia	Apr. 19, 1888	Aug. 30, 1894	1,000	1,200	Virginia	Sixth.
Colman, Hamilton F.	New York	Oct. 21, 1885	June 30, 1893	1,000	1,200	New York	Twenty-first.
De Jarnette, Miss Ellen B. (D.)	Virginia	July 1, 1889	do	1,000	1,200	Virginia	Second.
Hyan, Miss Viola W. (D.)	Maryland	May 17, 1888	Sept. 13, 1893	900	1,200	District of Columbia	Fourth.
Jones, Miss Lizzie (D.)	Alabama	Apr. 27, 1880	June 30, 1893	1,000	1,200	Alabama	Third.
Mahon, Miss Bessie R. (D.)	District of Columbia	June 30, 1888	do	1,000	1,200	Indiana	Do.
Moon, Miss Mary B. (D.)	Tennessee	Nov. 3, 1875	Feb. 8, 1894	1,000	1,200	Tennessee	Do.
O'Hare, Daniel P. (D.)	New York	Oct. 23, 1890	Mar. 21, 1893	1,000	1,200	District of Columbia	Ninth.
Patton, Mrs. Julia C. (D.)	North Carolina	Feb. 16, 1877	June 30, 1893	1,000	1,200	North Carolina	Seventh.
Ramsey, Miss Fannie L. (D.)	Illinois	Dec. 29, 1881	July 14, 1894	1,000	1,200	Illinois	Seventh.
Snow, Samuel W. (R.)	North Carolina	Apr. 11, 1877	July 13, 1893	900	1,200	District of Columbia	Sixth.
Speer, Alex. M., jr. (D.)	Georgia	July 15, 1893	July 15, 1893	(a)	900	Georgia	Sixth.
Staley, William F.	Michigan	July 3, 1890	July 19, 1894	900	1,200	Michigan	Fifth.
Williams, Hugh H. (D.)	Kansas	Dec. 11, 1890	July 19, 1894	1,000	1,200	Kansas	Fourth.
UP TO \$1,400.							
Abbott, Miss Ellen C.	North Carolina	Mar. 20, 1882	June 30, 1893	1,200	1,400	North Carolina	Sixth.
Burr, Mrs. Mary V. (D.)	Virginia	Jan. 9, 1884	do	1,200	1,400	Virginia	First.
Collins, Miss Ida V. (D.)	District of Columbia	Nov. 23, 1890	May 31, 1894	1,000	1,200	District of Columbia	Second.
Consaul, Charles F.	Michigan	Feb. 5, 1891	Mar. 11, 1895	1,200	1,400	Michigan	Second.
Cox, Miss Bessie (D.)	Virginia	June 26, 1880	June 30, 1893	900	1,200	Virginia	Eighth.
Eaton, Paul W.	District of Columbia	Apr. 19, 1894	July 19, 1894	1,200	1,400	District of Columbia	First.
Harvey, Mrs. Martha B. (D.)	Maryland	Feb. 13, 1890	Apr. 19, 1894	(a)	1,400	Connecticut	Fourth.
Hinsdale, Theodore R.	Connecticut	Feb. 5, 1891	June 30, 1893	1,200	1,400	do	Fourth.
Holcombe, Ernest P. (D.)	Utah	July 21, 1894	do	(a)	900	Utah	Seventeenth.
Hof, Charles (D.)	Ohio	Dec. 28, 1887	Dec. 3, 1894	900	1,200	Ohio	Eighth.
Hunter, Alexander, (D.) c.	Virginia	Feb. 10, 1889	July 15, 1895	1,000	1,400	Virginia	Seventh.
Jackson, William A.	Alabama	July 11, 1880	Nov. 18, 1895	1,400	1,600	Alabama	Fifth.
Munroe, Mrs. Jennie L. (D.)	New York	Oct. 7, 1882	Aug. 3, 1895	800	900	Alabama	Fifth.
McManus, Mrs. Annie P. (D.)	Kansas	May 9, 1882	July 19, 1894	900	1,000	District of Columbia	Third.
Bosley, Miss Caroline M. (D.)	Illinois	Mar. 20, 1882	June 30, 1893	1,200	1,400	Kansas	Third.
O'Connell, John (D.)	Wisconsin	Sept. 18, 1891	Nov. 18, 1895	1,200	1,400	Illinois	Eighth.
Osborne, William F. (D.)	Arkansas	Apr. 2, 1894	June 30, 1893	900	1,400	Wisconsin	Sixth.
Ruffin, Thomas (D.)	North Carolina	Oct. 7, 1893	Apr. 2, 1894	(a)	900	Arkansas	Third.
Safford, Miss Annie J.	Ohio	Oct. 31, 1887	July 19, 1894	900	1,200	Arkansas	Third.
Schwarzkopf, Miss Dora (D.)	Virginia	May 19, 1879	Oct. 19, 1894	1,000	1,200	Georgia	Sixth.
Sheehan, John D. (D.)	New York	Mar. 29, 1890	Nov. 30, 1894	1,200	1,400	Ohio	Eleventh.
Simms, Albert D. (D.)	District of Columbia	Apr. 19, 1888	do	1,200	1,400	Virginia	Second.
Todd, Mrs. Carrie E.	Arkansas	Apr. 3, 1896	Jan. 17, 1893	1,000	1,200	New York	Twelfth.
Ward, Miss Lucy M. (D.)	Indiana	Apr. 16, 1888	May 31, 1894	1,200	1,400	Virginia	Second.
Williams, William D. (D.)	Tennessee	Aug. 11, 1886	Apr. 19, 1888	900	1,200	Virginia	Second.
Slosson, Miss Julia E. (D.)	Arkansas	Mar. 1, 1877	June 30, 1893	1,200	1,400	Arkansas	Third.
Fraser, Miss Emma G.	Illinois	June 20, 1880	Aug. 4, 1894	1,200	1,400	Indiana	Ninth.
Hunter, Alexander c.	Virginia	Feb. 19, 1885	Dec. 23, 1895	900	1,200	Tennessee	First.
Anderson, Joseph W.	Washington	Oct. 1, 1888	Mar. 1, 1896	1,200	1,400	Arkansas	Second.
Barber, Amhurst W. (D.)	Florida	Aug. 3, 1893	Oct. 19, 1894	1,200	1,400	Illinois	Do.
			Mar. 31, 1895	1,400	1,600	Virginia	Eighth.
UP TO \$1,600.							
Anderson, Joseph W.	Washington	Oct. 1, 1888	June 30, 1893	1,400	1,600	Washington	Second.
Barber, Amhurst W. (D.)	Florida	Aug. 3, 1893	Aug. 3, 1893	1,400	1,600	Florida	Second.

a Appointed.

b Reinstated.

c Confederate soldier.

Promotions in the General Land Office, June 30, 1893, and since then to June 30, 1896.—Continued.

Name.	Whence appointed.	Date of original appointment.	Promoted.			Present legal residence.	
			Date.	From—	To—	State.	Congressional district.
UP TO \$1,600—continued.							
Black, Paul S. (D.)	Georgia	June 15, 1893	June 15, 1893	(a)	\$1,200	Georgia	Seventh.
Coller, Jacob (D.)	Pennsylvania	Feb. 13, 1888	June 30, 1893	\$1,200	1,400	Pennsylvania	Fourteenth.
Davis, John H.	Ohio	Aug. 9, 1890	do	1,400	1,600	Ohio	Eighteenth.
Downing, John F. (D.)	Illinois	Sept. 27, 1884	do	1,400	1,600	Illinois	Fifteenth.
Dunnington, Abner F. (D.)	District of Columbia	Aug. 16, 1882	Feb. 8, 1894	1,300	1,400	California	Second.
Gallagher, Patrick J. (D.)	Pennsylvania	Aug. 18, 1888	Nov. 30, 1894	1,400	1,600	Pennsylvania	Third.
Heltman, Charles C. (D.)	Nebraska	Aug. 25, 1890	June 30, 1893	1,300	1,600	Nebraska	Fourth.
Johns, Kensey	Maryland	Aug. 18, 1894	do	1,400	1,600	Maryland	Fifth.
Lamon, Robert B.	Illinois	Aug. 15, 1886	do	1,400	1,600	Illinois	Fifteenth.
Longstreet, James, jr. (D.)	Georgia	July 29, 1885	do	1,300	1,400	Georgia	Ninth.
Lord, Frank C. (D.)	District of Columbia	Nov. 1, 1881	Aug. 15, 1895	1,400	1,600	District of Columbia	
Meador, Leake S. (D.)	Virginia	July 8, 1879	June 30, 1893	1,400	1,600	Virginia	Tenth.
Moreland, Samuel A. (D.)	Georgia	June 29, 1893	July 19, 1894	1,300	1,400	Georgia	Fourth.
Norton, Henry A. (D.)	Idaho	Feb. 17, 1887	Dec. 23, 1895	1,400	1,600	Oregon	Second.
Oberchain, Charles A. (D.)	Illinois	Mar. 4, 1892	June 29, 1893	(a)	600	Illinois	Fifteenth.
Pollock, Geo. F. (D.)	Ohio	Jan. 20, 1891	Oct. 19, 1894	1,000	1,200	Ohio	Eighteenth.
Rice, Anthony F. (D.)	New York	July 29, 1887	Feb. 5, 1894	1,200	1,400	New York	Sixteenth.
Strong, Charles B. (D.)	Arkansas	Mar. 20, 1883	Oct. 19, 1894	1,200	1,400	Arkansas	Fourth.
Ulke, Julius	District of Columbia	May 9, 1882	July 15, 1895	1,400	1,600	District of Columbia	
Von Gluecker, Rudolph (D.)	do	Oct. 1, 1880	June 30, 1893	1,400	1,600	do	
McLoughlin, Mrs. Rebecca (D.)	Michigan	Dec. 29, 1879	do	1,400	1,600	Michigan	First.
UP TO \$1,800.							
Blen, Morris	New York	Oct. 19, 1879	June 19, 1893	b 1,800	1,800	California	Fourth.
Chaplain, William M. (D.)	North Carolina	Feb. 1, 1886	June 30, 1893	1,400	1,800	North Carolina	First.
Cole, James	New York	Apr. 3, 1888	do	1,400	1,800	New York	Do.
Edwards, Wm. A. (D.)	Georgia	May 15, 1883	May 15, 1893	(a)	1,800	Georgia	Fifth.
Fitch, Charles H.	New Mexico	July 16, 1884	June 19, 1893	b 1,800	1,800	New Mexico	
Foster, Remus F.	Pennsylvania	June 1, 1877	June 30, 1893	1,600	1,800	Pennsylvania	Second.
Guerry, Homer (D.)	Georgia	June 29, 1893	June 29, 1893	(a)	1,800	Georgia	Fourth.
Hampton, John R. (D.)	Mississippi	May 4, 1885	June 30, 1893	1,600	1,800	Mississippi	Second.
Jones, Jacobus S. (D.)	Tennessee	Jan. 29, 1882	do	1,600	1,800	Tennessee	Eighth.
Moss, Michael A. (D.)	Indiana	May 2, 1887	do	1,400	1,800	Indiana	Fourth.
Yelverton, John D. (D.)	Alabama	Feb. 13, 1888	do	1,400	1,400	Alabama	Second.
Zieber, Charles W.	Maryland	July 31, 1880	May 31, 1894	1,400	1,600	Maryland	Do.
			Apr. 10, 1896	1,800	1,800		
			Aug. 1, 1894	c 1,800	1,800		

a Appointed.

b Geological Survey.

c Secretary's Office.

I comment as follows: By the provisions of the Dockery law, which was, perhaps, a step toward modernizing systems of administration, though as to that I do not wholly commit myself, important changes were made in the personnel of the affairs of the Land Office. I might, perhaps, with propriety here say that so far as Mr. DOCKERY and his commission are concerned, I believe they were patriotic in their purpose and intended no sleight-of-hand performance such as followed the going into effect of the provisions of their bill. Mr. DOCKERY has given great time and attention to the subject and is entitled to credit, in my opinion, for having done the best he could in this behalf, but the record conclusively shows that this is what took place: Time-tried and faithful clerks were removed in numbers sufficient to come within the Dockery law.

Read the initial opposite their names and you will see how the service was to be benefited by the application of the merit system, and the merit system consisted in turning out the Republicans as quickly as possible, and getting rid of them, perhaps, as grossly incompetent. Then came the reductions so as to make room and way for that which was to follow, and see again how accurately the civil-service principle of merit was applied. You will see by an examination of the initials opposite their names that merit consisted in the political belief of the party, and then came the promotion of the remaining Democrats in the office, and read the initials opposite their names and see how few Republicans were promoted and how wonderfully efficient were the Democrats.

This is what has been going on in the Departments ever since this miserable law was inflicted upon the American people. What is the remedy? I shall speak of that farther on.

While this was going on in the Land Office, a civil-service reformer of the Carlisle-Procter stripe was operating in the Bureau of Engraving and Printing, a Bureau which I say and defy successful answer is not, at least so far as nine out of ten of its employees are concerned, covered by the civil-service law in any respect whatever. Merit in that department consisted in the color of the occupant of the position; and I want to present here the preamble and resolutions adopted at an organized meeting of the discharged colored printers' assistants, held in Washington in February last. It may be considered somewhat egotistical in me to introduce this at this time, but inasmuch as this document was sent to the Pres-

ident, and by the President's secretary sent to me, I feel at liberty to incorporate it in my remarks, and here it is:

Preamble and resolutions adopted at an organized meeting of discharged colored printers' assistants, held at Washington, D. C., tendering a vote of thanks to Gen. CHARLES H. GROSVENOR for the kind interest he manifested in their behalf.

## PREAMBLE.

Whereas under existing laws of the United States governing appointments into its classified service, which appointments must be made only upon the applicant passing a successful examination as provided according to the rules and regulations prescribed by the Civil Service Commission before its regularly constituted board of examination, the law prohibiting none who are morally, physically, and intellectually eligible from entering into competition, but embraces all as under its provisions, aliens and persons not naturalized have been allowed to compete in these examinations before the civil-service examining board, and after passing successful examination have received appointments, been allowed to serve out the probationary period of six months, and then have received permanent appointments, and have been allowed to remain in undisturbed enjoyment and possession of their official position, all of which demonstrates the benevolence, generosity, and liberality of our American institutions; and

Whereas the record of the colored people of this country can be traced back to two hundred and fifty years of unrequited toil, to noble deeds of heroism when the infant colonies were struggling to throw off the yoke of British tyranny and oppression from the plains of Boston and at every subsequent stage in our country's history where its life has been imperiled until a Union, cemented in blood, was firmly and forever sealed at Appomattox—record of which race has always been ranged on the side of patriotism, loyalty, and devotion to country, and the heroism of whose soldiers on the field of battle, fighting for the perpetuity of the Union and the preservation of these institutions forms one of the most brilliant chapters in the annals of our country's history; and

Whereas a few girls of this race which has never furnished a traitor to the country, some of them being the dependent relatives of fallen noble heroes, considering that they were a loyal people, morally, physically, and intellectually competent, determined to take the examination for the position of printer's assistant in the Bureau of Engraving and Printing, before the civil-service examining board with the general throng, which they did, and upon passing were placed on the register of eligibles in their respective order of excellence, as shown by the examination, the said examination occurring in the early part of President Harrison's Administration, the law was faithfully and honestly executed, and as a result some 88 colored girls were appointed as printers' assistants in the Bureau of Engraving and Printing, against about 300 whites; their record for ability, diligence, and excellence in the performance of the work assigned them fully justified the merit of their examinations as certified to by the civil-service board, and refutes the slanderous imputations upon their efficiency made for a pretext to the cause of their removal, as said colored girls demonstrated that they were physically, morally, and intellectually capable of performing any kind of work that any other females were capable of performing; and

Whereas at the close of General Harrison's Administration there were



some sixty colored girls employed as printers' assistants in the Bureau of Engraving and Printing; and

Whereas, when the present head of the Bureau of Engraving and Printing, who after having served several months as custodian of the plate vault, was appointed Chief, July 1, 1893, he immediately set about importuning the Secretary of the Treasury to take the appointment of printers' assistants out of the classified service; if that could not be done, he wanted a temporary suspension of the rules so as to prevent the appointment of colored women. This monstrous display of ignorance was demonstrated in the fact that it could not be done; and thereupon, the present Chief of the Bureau of Engraving and Printing began removing the colored printers' assistants by dismissing a group of 7 colored and 2 white; thereafter, however, principally only colored were dismissed, which was done in groups of 10 and 12 at a time, until out of the total sum of 88 colored girls only 10 remained against more than 300 white. Most of these dismissals of colored girls occurred in cold winter weather, with snow on the ground, and were unwarranted, heartless, and cruel, and in violation of law and against the best interest of public service, as their places were immediately filled by persons unfamiliar with a class of work in which by experience and education they had become proficient and expert, all falsehoods to the contrary notwithstanding. These girls were turned out without an hour's warning, and in many cases without a dollar to breast the cold winter's storms, and to carry the sad news home of coming starvation to their helpless loved ones—girls, too, the heroism of whose fathers on the field of battle made it possible for the present Chief of the Bureau and his assistant to hold their comfortable and lucrative positions. In some cases these dismissed colored girls were the only support of widowed mothers and small brothers and sisters, and had from five to twenty-four days of annual leave due them, but for which they never received any compensation, although Congress made a specific appropriation for this payment, but which was refused by the assistant chief. Some of the colored girls were not allowed to serve out their probationary period of six months, guaranteed them by law; and

Whereas, in filling the vacancies occasioned by the dismissal of colored girls, notwithstanding the fact that many on the list of eligibles who stood highest were colored, and were certified in that order as they appeared on the register, the present chief, aided by his assistant, found a way in which to violate the law, and rejected every colored girl certified by the Civil Service Commission after October 31, 1893, which makes it difficult to understand how an applicant who has passed an inferior examination would make a better and more efficient employee than one who had passed a superior examination—no rules in the books can make this anomaly plain to a candid mind—a principle which in itself destroys the intent, purpose, and spirit of the civil-service law—to provide the best and most intelligent material for the public service; and

Whereas, in our dire need and distress at witnessing our helpless and loved ones suffering for bread, and with every avenue of employment closed against us, we petitioned the President of the United States, Grover Cleveland, and appealed to the tender sensibilities of his soul, to interfere, and cause the law to be executed—which would have had the effect of righting the wrongs inflicted upon us by the present merciless head of the Bureau of Engraving and Printing, and his like merciless assistant, but without avail. The honorable Civil Service Commission reported the fact to Secretary Carlisle, that discriminations were being made in the Bureau of Engraving and Printing on account of color, and supplemented their report with the statement that it did not seem clear how all this inefficiency should be on the side of color and Republicans. Secretary Carlisle took no notice of the matter except to sustain the present chief and his assistant, who have continued to make discriminations on account of color up to the present time; and

Whereas the 18 white girls who were dismissed during the time that some 70 colored girls were dismissed were all reinstated upon their personal application, but in no instance was a colored girl reinstated, except one, in which case a United States Senator secured her reinstatement. Although the present chief has been repeatedly importuned to reinstate them, his reply has been, "They (meaning the colored girls) have all got to go." Or he would sometimes say, "I'll discharge who I please;" and

Whereas we are women and not politicians, our dismissal at the hands of the present chief and his assistant was an unprovoked war upon defenseless women, and totally unworthy of the conduct or action of gentlemen, and entirely inconsistent with the duty of and principles of United States officials; and

Whereas during the time that we were being driven from our official positions by the present chief and his assistant, whose narrow-minded hatred to people on account of color wholly unfit them to hold positions of profit or trust under the Government of the United States where, by their narrow-minded prejudice, they can deprive worthy and defenseless women and children of bread and cause untold suffering, Hon. CHARLES H. GROSVENOR, in the grandeur of his character and in the nobility of his soul, called attention to the matter on the floor of the House of Representatives, being the only honorable gentleman to take such action, thereby showing the courage of the true soldier, the far-sighted justice of the statesman, and the mercy and humanity of the philanthropist: Therefore

Be it resolved, That we, the printers' assistants, in organized meeting assembled, with cherished love and grateful remembrance, do hereby tender Gen. CHARLES H. GROSVENOR, member of Congress from the Eleventh Congressional district of the State of Ohio, a vote of thanks in grateful recognition for his noble, generous, and philanthropic friendship as manifested for us in so disinterested a manner at the time we were being driven from our official positions to encounter the consequent sufferings and destitution.

And be it further resolved, That we do not ask any special favor to be shown us on account of color, but simply petition that the law be vindicated, and that a thorough investigation be had to the method of observing the civil-service law in the Bureau of Engraving and Printing since March 4, 1893, up to the present time, by the present chief and his assistant.

And be it further resolved, That, although we are not politicians, yet we hail with sentiments of sincere joy the advent of the friends of law and order and good government into power.

And be it further resolved, That a copy of these resolutions be engrossed and forwarded to the President of the United States, to Hon. CHAS. H. GROSVENOR, and to Hon. LYMAN J. GAGE, Secretary of the Treasury, and to the honorable Senators and Members in the present Congress.

KATIE GIBSON, Chairman.  
MINNIE CRUTCHFIELD, Secretary.  
1015 Third street N.W.

Here is a clear, concise statement of the situation in the Office of the Supervising Architect of the Treasury Department. The writer comes to me indorsed by such men as Governor Ordway as a man beyond suspicion of corrupt purposes or of any lack of personal integrity:

WASHINGTON, D. C., March —, 1897.

Hon. CHARLES H. GROSVENOR, M. C., City.

DEAR SIR: After reading your severe but just criticisms upon the manipulations and misuses under the cover of which the civil-service law has been administered in some of the Departments of the Government and used for

the purpose of oppressing honest and faithful employees, I concluded to acquaint you with my own experience while employed in the Architect's Office of the Treasury Department, and with a few observations made thereafter.

It is due to you that I state my standing, personally and professionally. I am an architect and civil engineer of scientific training; also a resident of this city for many years. I have acquired and gathered valuable experience in all the branches of my profession during a lifelong successful practice in private, ecclesiastical, municipal, and Government work, filling numerous positions of trust and responsibility. This includes all the buildings and architectural adornments on the grounds of the Department of Agriculture, the fireproof reconstruction of the Smithsonian and Interior Department buildings, the design and construction of the National Museum and of the Medical Museum of the Army, etc., in all of which the limits of the appropriations were never exceeded.

On such a record and with a desire to secure for the Government the best available standing, professional knowledge and practice, I was, without application or solicitation, invited in the spring of 1893, by Supervising Architect James H. Windrim to accept the position of inspector of public buildings, under the Treasury Department, attending to outside work of importance and trust in all parts of the country, while he was himself kept busy in the Washington office. He, however, requested me to furnish him a few recommendations vouching for integrity and competency, so as to conform to the custom and uses of the Department. These were furnished by Gens. Thomas L. Casey and John M. Wilson, both of United States Engineers; further, by Senator J. S. MORRILL, with whom, as chairman of the Committee on Public Buildings and Grounds, I had frequent professional intercourse; by Senator TELLER, under whom, as Secretary of the Interior, I had reconstructed his Department building, and others.

I went on duty in July, 1893, and made a spotless record—most satisfactory to my superiors. In August, 1896, my resignation was demanded by Secretary Carlisle. On interrogation, Mr. William Steinway, of New York, a prominent Democrat, was informed by Carlisle "that Class received his appointment on political grounds, all his recommendations stating in some form or other that he was a reliable Republican."

Mr. Jere O'Rourke, ultra-Democratic, the Supervising Architect appointed by Mr. Carlisle, shortly after entering upon duty, protested in vain against the ruthless impairment of the public service for which he was held responsible, and for his opposition to the wholesale removal of much-needed, capable, tested men he was summarily discharged, without any reason being given, a few days after myself.

The duties performed by me, including delicate work, such as tests of qualities and strength of the alluvial soils of the Mississippi Valley and elsewhere, are now nominally performed by persons without any technical training, some of whom are not even versed in writing plain reports with any regard to orthography or syntax.

Immediately after Mr. Carlisle took charge, Mr. Henry C. McLean, of New York, the chief clerk and Assistant Supervising Architect, was summarily discharged. He had during twenty years steadily advanced within the office, mastered all the intricate details of the service, was a most industrious and efficient worker of well-tested integrity. He was superseded by C. E. Kemper, of Staunton, Va., a college chum of Logan Carlisle, whose pliant tool he continued to be during a so-called reorganization of the office, which benefited him pecuniarily, but was otherwise considered as a disorganization and demoralization of the force. Kemper was entirely ignorant of the Architect's office when he was placed virtually in full command.

The Supervising Architect's Office is not an untrammelled bureau; it is merely an adjunct of the administration machinery of the Treasury Department. The Architect is appointed by and subject to removal by the Secretary of the Treasury, who, during Cleveland's Administration, freely appointed leading subordinates without any consultation with the Architect.

The work of the office is done at present by about 160 persons, organized in eight separate divisions, which include clerical as well as technical branches. The well-trained trusty chiefs, and in some cases also assistants of the divisions, have all been removed, except one whose call for resignation was canceled after the Grand Army of the Republic had made it hot in favor of a comrade.

The new appointees include men totally unfitted for their duties. The dodge has lately been introduced of styling new appointees "temporary," so as to avoid the civil-service examination. After some time has elapsed the appointments are quietly made permanent or "senior" officials. It is stated that within the last few months at least twelve or more draftsmen were thus smuggled under the protection of the civil-service law.

Wherever new public buildings were started, locally recommended mechanics or architects used to be appointed as superintendents, their commissions expiring after the completion of the concerned buildings. Including the contingent forces there are about 150 such employees about the country. After the inauguration of the Cleveland Administration these superintendents were removed in the midst of their work, excluding such as were known as Democrats, and Democrats put in their places. The Treasury Department ruled that these men were under the protection of the civil-service law. They are now being changed from town to town or city, when their work is completed at home, and are supposed to be provided for for life.

P. H. McLaughlin was a sort of a walking overseer of masonry under the superintendent of the Washington City post-office at \$4 pay per diem. This task being completed, he was discharged some months ago. I just learn that he was reappointed (under Cleveland civil-service rules) on the 1st of March as inspector of operations in a Northern granite quarry at \$6 per diem.

In a word, the Supervising Architect's Office has been run entirely under the spoils system, and it needs overhauling on the first opportunity that some suitable committee can get, as an object lesson to the other branches of the Government under the boasted Cleveland civil-service system.

I have in my possession other documents in relation to this Bureau which I will not submit to the public at the present time because of certain exceedingly personal charges and the very ugly criticisms.

Mr. Speaker, I could go on multiplying the evidence of the base prostitutions of this law until the CONGRESSIONAL RECORD would scarcely hold the proof.

Now, in connection with what I have exhibited with regard to the Departments here in Washington, and, Mr. Speaker, what is known to every member of this House, independent of anything which I have said or exhibited here, take into consideration the fact that the great cities of the country, with their marshal offices, their collector offices, and all that have been thus dominated, thus looted, thus polluted, and you have some, although imperfect, knowledge of the base purposes to which we have come at last.

I will add a testimonial or two from outside the Departments at Washington. I offer one from Hon. Edgar Allan, the distinguished Republican lawyer of Richmond, Va., a man who has

held high and important stations under the Government and has always discharged his duties faithfully and admirably. His letter and exhibit are as follows:

RICHMOND, VA., March 25, 1897.

MY DEAR GENERAL: You and I have labored together as "partisans" for many years in different fields of labor, but I want now to send you a little "nonpartisan" communication.

I take it that you will in a day or two be in your element amid the discussion of the civil-service humbug, and thought it possible you might be able to utilize some facts in regard to its working in this city. I have carefully prepared a little statement, giving the number of employees under civil-service rules in the three principal departments of service here, together with some facts in relation to the constitution of the local examining board and the way they have worked the dodge under their "nonpartisan" system; and without submitting any comments, but simply supplying you with the facts, believe me to be,

Very truly yours,

EDGAR ALLAN.

Hon. C. H. GROSVENOR, M. C.,  
House of Representatives, Washington, D. C.

There are in the city of Richmond, Va., three Federal offices under the civil-service rules, viz: The post-office, the internal-revenue office, and customs office. There are about 80 employees in the post-office, 20 in the revenue office, and 7 in the customs office.

Under the last Cleveland Administration there have been 20 employees appointed by the postmaster for positions in the post-office, 10 of whom were not on the eligible list and 10 were drawn from said list, all (20) of whom were Democrats; not a single Republican was drawn.

In the internal-revenue office every officer was removed the day the collector qualified, 20 in all, and 20 active Democrats appointed.

In the customs-house all were removed the day the collector qualified, even the laborer and floor scrubber. Seven active Democratic partisans were appointed in their places, making a total of 47 appointments in the three offices, all Democrats, and only 10 stood an examination. All of them, except 3, have since been covered under the new civil-service rules.

There is a local examining board for each office consisting of 3 members, making 9 members on the three boards—8 of them are Democrats and 1 a Republican—and only 1 of the 9 stood an examination and was drawn from the eligible list, and he was the Republican member. The 8 Democrats were put in office without an examination.

For three nonpartisan boards, how does that strike you?

There is a result which shows what can be done, and here I present a communication received from Topeka, Kans., from a gentleman intimately connected with the postal service. It shows that the outrages which have had their origin in Washington have swept far and wide all over the country and have polluted the fountains and output of civil administration. Later on I will make some pertinent suggestions in regard to this fact:

TOPEKA, KANS., March 30, 1897.

Hon. CHARLES H. GROSVENOR, M. C.,  
Washington, D. C.

DEAR SIR: I hope you will pardon the liberty I take in writing you, but seeing the discussion taking place in Congress on the civil service, and having read your speech on that subject, I thought, perhaps, a few of its workings, as seen by one under the classified service might be of use in determining some changes or improvements in the manner of enforcing its rules. I believe civil service, if applied to clerical positions, and impartially administered, with examinations which are practical, would result in much good, but when administered from a political standpoint and for the advancement of those of the political faith of the party in power, will be neither beneficial nor lasting. Some of the errors existing under its present workings are so apparent to one not even familiar with it in detail as to require some changes or improvement. For instance, there is nothing practical in its examinations. To illustrate, if a private individual employs anyone to transact business for him, he will select someone familiar with the business, or with a general business knowledge. How do these examinations carry out these ideas? I venture the assertion that any boy or girl 16 years of age, from any of our city schools, would pass a better examination than any member of either branch of Congress; and why? Because the questions are fresh in their minds, consisting of where certain rivers rise, and into what

bodies of water they empty, the height of certain mountains, the location of certain ranges, etc.

A man in any kind of business a few years forgets these small details, as they are of no practical use outside of the schoolroom and do not demonstrate any practical business capacity in answering them. The result, practically, at least, in the mail service, is, we are getting principally schoolboys, with no practical business experience. Then the civil service is no protection to one under it, its whole power seeming to be to say who shall be admitted.

It is true one of its rules provides that before being removed charges shall be filed and a hearing given the party accused; but the first hearing he gets is a notice that his pay is stopped, and if he appeals to the Civil Service Commission, they inform him that is something they have nothing to do with. If in the mail service, this rests entirely with the division superintendent.

If reduced to a lower position, or fined two or more days' pay, perhaps on account of some unavoidable error, there is no recourse; the one-man power so decides, and, if strongly partisan in his views, has an opportunity to show great and unjust discrimination.

If civil service could be administered in certain positions which could properly be under the same, with no party partiality, it would be a nice thing, but can it be done in this country of ours under our present system of elections? I am afraid not.

I will cite you a few cases of promotions, reductions, etc., under the civil-service rules to show how impartial (or otherwise) the party in power is in construing the rules, and I have heard of no protest being made by the commission to the construction put on them by the Department.

Under Mr. Cleveland's first Administration seven clerks in charge of cars, of class 5, in this division were discharged from one line to make promotions for seven Democrats, with no protest from the commission. Was that civil service? These discharges all dated October 28th prior to the election; and had he been reelected, nearly all the Republican clerks were slated to go.

Under his last term a clerk of class 4 was made a division superintendent over all the older and more experienced clerks. Was that civil service or political influence? A clerk of class 1, at \$900 per annum, was promoted to \$1,000 per annum and made an assistant superintendent, again overriding the claims of older and better clerks. His father controls a Democratic newspaper. Two clerks of class 4, at \$1,150 per annum, were promoted to class 6 at \$1,400 per annum and made chief clerks while there were clerks of three times the length of service, and with much better records, who were not considered.

Two clerks of class 3 were promoted from \$1,000 per annum to \$1,400 and made chief clerks—more civil service. The superintendent of mails at the Kansas City, Mo., post-office, formerly a captain in the Union Army, was reduced from \$1,600 per annum to \$1,000 per annum and assigned to road duty, while a Democratic clerk of class 3 was promoted to his place. Five clerks of class 5, at \$1,300 per annum, have been reduced to class 4, at \$1,150 per annum, within the last few months on lines running out of Kansas City, thus promoting five Democrats who are now pleading the "baby act" and demanding protection under the civil-service law.

All the promotions named were of Democrats and no doubt were strictly in line with the civil-service rules as construed by them.

Had none of the older clerks who had practically taught these new apostles of Democratic proclivities all that they know about the business been efficient or qualified to fill the places in question it would not seem quite so rank an injustice.

I could continue this list indefinitely, but think that you will be able to see the beauties of the law as administered to us.

As a fitting climax to this fraudulent and partisan abuse of law, the nonpartisan board on February 7, just before the inauguration of President McKinley, comes out with a letter of instructions governing promotions in the mail service, endeavoring to perpetuate these "impartial" promotions and reductions and deterring any who might have aspirations to which they are entitled by long service and efficiency, under fear of removal by those over them who certainly got there through political influence and not by merit or efficiency. Will the perpetuation of such frauds tend to strengthen the Republican party?

These Democratic clerks all voted for "Bryan and the abolishment of civil service." While we of the Republican faith do not want to see any of them lose their position in the service, we do think that it would be nothing but justice that they should go back where political influence lifted them from, and, if we are to have civil service, let them take their chances the same as we are willing to do, instead of being held in positions to which they are not entitled.

#### OBTAINING MONEY UNDER FALSE PRETENSES.

There is another feature of this matter to which I now desire to call attention. I hold in my hands a compilation from House Document No. 79, table 21, pages 219 and 220, and table 10, pages 33, 34, and 35, inclusive:

[Civil Service Commission's report for the years ending June 30, 1895-96.]

From July, 1893, to June, 1896.	Number examined.	Number passed.	Number appointed.	Fees of notaries.	Fees of county clerks.*	Total fees.	Remarks.
Departmental service.....	54,406	35,636	7,496	\$13,023.00	\$27,216.00	\$40,239.00	
Customs service.....	35,005	14,509	3,032	6,251.25	12,502.50	18,753.75	
Postal service.....	104,104	62,915	24,302	26,026.00	52,052.00	78,078.00	
Railway Mail Service.....	22,824	15,904	5,497	5,706.00	11,412.00	17,118.00	Doctors' fees, \$39,942; no females examined.
Indian service.....	2,816	1,678	474	664.00	1,328.00	1,992.00	Doctors' fees, \$2,651.
Whole number for 13 years.....	191,329	117,143	38,208	47,831.45	95,064.50	142,895.95	No account as to the number of females examined.
Government printing service† (from August, 1893, to June, 1896):	1,821	744	264	279.75	1,069.00	1,348.75	
Compositors.....	130	64	3	32.50	50.00	82.50	Compositors—25 females examined; 11 passed, 6 appointed.
Pressmen.....	108	107	16	32.00	69.00	101.00	Female laborers, skilled—Examined, 400; passed, 366; appointed, none.
Bookbinders.....	9	6	3	2.25	4.50	6.75	
Electrotypers.....	20	14	.....	5.00	20.00	25.00	
Stereotypers.....	300	230	.....	195.00	300.00	495.00	
Laborers.....	.....	.....	.....	.....	.....	.....	
Grand total.....	193,150	117,887	38,472	48,111.25	96,088.50	144,199.75	

\* Estimated, as no data is obtainable unless the Commission is called upon to furnish the same to Congress.

† All appointments in the beginning of the civil-service test in the office were made temporary and very few received absolute appointment, the office being packed by him before having it placed in the classified service. Public Printer Benedict's report for the fiscal year ending June 30, 1896, page 12: "Number on the roll, 2,829; number reinstated during the year, 161; and 132 appointed from the civil service." The employees selected from the civil-service list, he says, averaged as well as the persons selected heretofore by him and his predecessors; but he does not claim that they are superior, as the Civil Service Commission would have the world believe.



In this table I present the number of persons examined by the civil-service administration from July, 1883, to June, 1896, the number passed successfully, the number appointed, the amount of fees of notaries and fees of county clerks, with their totals, including the doctors' fees, all these expenditures being necessary under the machinery of this red-tape system of civil-service examination.

Here, now, were 191,000 persons examined, and out of that number only 38,000 were appointed, and I believe I am correct in saying that the disproportion of appointments to applications and examinations has been steadily and constantly growing; and if I am right, it is safe to say that there are more than 200,000 people in the United States to-day who have been beguiled into taking a civil-service examination, have paid their expenses, including these notarial and clerk fees, and have received no appointment and never can receive an appointment, and this concern is magnifying itself from one end of the United States to the other, examining and examining and continuing to examine applicants for public favor as though there was some opportunity for those persons to get in under the operation of the law.

I do not vouch for this table, but it has been prepared from the reports of the Civil Service Commission, and I believe every item and detail of it is correct; and if that be so, tell me if that is not extracting money from these men by false pretenses. Oh, the humbug of these examinations, the outrage upon the innocent men and women of the United States involved in this system! And right here—I may as well do it one time as another, for I should fall short of my duty if I failed—I deny that these examinations, made upon the general principle that they are made, are of the slightest value in determining the "fitness" of the applicant.

I hold in my hands a list of questions proposed to be put into the police examinations of the city of New York, and these are certainly much more practical than the average civil-service examinations have been. Now, he is to be a policeman in the city of New York. Let us establish here very briefly what are the requisite qualifications of a policeman. First, I suppose I will be justified in saying that a primary requisite is soundness of body, physical soundness, and physical strength. Then, I assume that he must be a man of good temper, not, perhaps, amiable, but a man who can control his temper, a man who will not get flurried and stampeded. He ought to be a man who has general knowledge of the laws and duties regulating, controlling, and limiting the administration of the position in which he is going.

The component parts of the soils of the earth are not important to him. The elements, however, should be so mixed in him that he will be just, wise, and considerate and not inflexible in the performance of his duties. He must answer a percentage of questions like the following:

Divide seven-eighths of  $2\frac{1}{2}$  by  $1\frac{1}{2} \times 10\frac{1}{2}$ .

If a man can do that, you see he meets the civil-service requirements and is a splendid policeman.

Here is another:

From the sum of five-ninths and seventeen twenty-sevenths subtract the sum of thirteen-eightieths and one-sixth.

If he can do that, he can keep peace in the Tenderloin district.

Here is another:

How may the Constitution of the United States be amended?

That is important. That seems to me will be at once recognized as of vital importance. If the man does not know how to proceed to amend the Constitution of his glorious country, he would be inefficient as a policeman necessarily, and some boy just out of school would be exactly a charming competitor.

Name four Presidents of the United States who have been reelected to that office.

Splendid qualification that for a policeman. How bravely a man with that knowledge would assail a mob and beat back the assailants of innocence.

Who, under the Constitution, may make treaties between the United States and foreign countries?

That is the question now in dispute between Congress and the Executive, in a certain phase of it. What an admirable qualification for a policeman.

Now, here is one that comes to the absolute true inwardness of fitness:

Write in the space below a letter of not less than 125 words (exclusive of date line, signature, and address), stating whether you prefer to live in the city or in the country, and why.

What a splendid field for manipulation that offers. One man gives his reasons, and the examiner says those are correct; they are the reasons, I would rather live in the country. Another examiner says that is a mistake, my reasons are entirely different from those, and so the applicant for police honors is marked with a demerit.

But no man can be a policeman who can not answer this, every-one will say:

Write in the space below a letter of not less than 125 words (exclusive of date line, signature, and address), mentioning some of the most remarkable inventions of the past one hundred years, and why you regard the inventions named as important.

It seems to me that if this policeman, entering upon a practical duty, can tell us the best kind of a club, the most efficient pocket pistol, and the most satisfactory handcuffs, he is probably in a condition that would make him a pretty fair policeman, so far as that branch of the position goes. But here he is to roam over a hundred years and talk about the inventions of that hundred years. The propounder of this question himself can not answer it.

The most "remarkable" inventions, not the most valuable, not the most wonderful, but the most "remarkable." It is the word "remarkable" which leaves open all the doors of consideration that it is possible for the human mind to conceive of.

Write in the space below a letter of not less than 125 words (exclusive of date line, signature, and address), mentioning some of the advantages or disadvantages of being a poor man.

Is not that a most wonderful performance?

But here is one that the boys would say is a "dandy:"

Write in the space below a letter of not less than 125 words (exclusive of date line, signature, and address), mentioning what you know of the composition, number of members, and duties of the Congress of the United States.

When a man has answered that he would undoubtedly be fitted to guard the sleeping denizens of New York City, because in case of any incursion upon their rights he could so promptly bring to bear his knowledge of the duties of the Congress of the United States. Think of that.

But, perhaps, this is the most absurd of all of them:

Write in the space below a letter of not less than 125 words (exclusive of date line, signature, and address), stating whether or not the United States should acquire more territory.

Now, you see how vitally important it is that this question of territorial acquisition should be thoroughly understood by the people, and now, if we can only get the assurance that the applicant for a police position in the city of New York has right opinions, there is no trouble about the peace of the city; purity of elections and all that sort of thing is assured.

I have taken an illustration from the city of New York. The programme of that proceeding was later on transmitted to Washington, and the absurdities of the examinations here have grown with the development of this whole business. Little wonder is it that it should finally be ordered as a requirement of an applicant to set type that he should be able to hop twelve times on one foot. But I must hasten on.

Before reaching the concluding proposition I desire to present the draft of a bill which, in my judgment, would be exceedingly desirable and which would apply the rule of common sense to the administration of our civil affairs and relieve the current Administration of a vast amount of the odium now attached to the administration of this law. I not only publish the bill in this connection, but a concise argument in support of its merits.

A bill to amend act of Congress approved January 16, A. D. 1883, entitled "An act to regulate and improve the civil service of the United States."

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the act of Congress approved January 16, A. D. 1883, be, and the same hereby is, amended so as to provide that unless by the direction of the Senate and House of Representatives of the United States of America in Congress assembled any person who may be employed in any one of the eight Executive Departments or the Government Printing Office in the capacity of "private secretary" or "confidential clerk" to any one of the heads or the assistant heads of said Executive Departments or Government Printing Office, or to the chief clerk or disbursing clerk of any one of said Executive Departments or Government Printing Office, or to the head or deputy head or chief clerk of any bureau or office in any one of said Executive Departments or Government Printing Office; and any person who may be employed in the capacity of chief clerk or disbursing clerk in any one of said Executive Departments or Government Printing Office; and any person who may be employed in the capacity of head or deputy head, chief clerk, or chief of division of any bureau or office in any one of said Executive Departments or Government Printing Office, and whose duties are of an executive, advisory, and administrative character under the direction and supervision of the heads of said Executive Departments and Government Printing Office, and whose appointment is not now required by existing laws to be made by the nomination of the President with the confirmation of the Senate of the United States, shall not be allowed or required to be included in the classified civil service of the United States or to pass an examination for appointment, and that each of said employees and officials shall hereafter be selected and appointed to said positions by the heads of said Executive Departments and Government Printing Office in accordance with the laws authorizing the employment of said employees and officials, anything in any statute, rule, or regulation to the contrary notwithstanding.

The following may be said in connection with the provisions of the accompanying bill:

The employees in the several Executive Departments, or those who compose the civil service of the Government, are properly divisible into three classes:

First. The executive, advisory, and administrative class, which, under the direction and supervision of the Secretaries and Assistant Secretaries, includes the chief clerks of the Departments, the bureau heads, deputies, chief clerks and chiefs of divisions of bureaus of the Departments, whose duties and services are of an executive, advisory, and administrative character.

Second. The executory or clerical class, which includes all employees whose duties are altogether executory and clerical, and dependent upon the direction and supervision of that class of officials specified in the first class.

Third. The laboring or workmen's class, which includes all those employees who render services entirely of manual-labor character.

As will be seen from an examination of the civil-service rules, as amended to January 2, 1897, the present division of the Department employees is different:

First. The classified service includes all employees of any grade or designation whatsoever who are above laborers and workmen and below those positions which are required by law to be filled only by nomination of the President with the confirmation of the Senate.

Second. All those who are below the classified service, or all those employees who are employed merely and actually as laborers and workmen.

Third. All those employees who are above the classified service, embracing all those subordinate officials whose appointments are specifically required by the statutes to be made by the nomination of the President with the confirmation of the Senate.

Rule 3, paragraph 2a, shows the fact that all officers and employees of whatever designation, except those persons whose employment is merely as laborers and workmen, and all those officials whose appointments are made by the nomination of the President, subject to the confirmation of the Senate, are placed within the classified service and are made subject to the civil-service rules promulgated within the last few months of the last Democratic Administration, and excepting also those employees specified in Rule 6.

Thus it will be clearly seen that the only employees in the several Executive Departments of the Government who have been excepted from the classified civil service and whose appointments can be made without regard to the civil-service rules, are the following:

The private secretaries or confidential clerks, not exceeding two, to the President, or the head or Secretary of each of the eight Executive Departments; all those subordinate officials who have been specifically excluded or exempted from being included in the classified service by the provisions of section 7 of the act approved January 16, 1883, embracing all that class of officials whose appointments are required by the statutes to be made only by the nomination of the President, with the confirmation of the Senate, and who, it will be seen, are the Assistant Secretaries, the heads of bureaus, and some of the deputy heads of the bureaus forming a part of each of the Executive Departments.

The important fact should again be noted—the chief clerks of the Departments, some of the deputy heads of bureaus, the chief clerks and chiefs of divisions of the bureaus, although forming a very important part of the executive, advisory, and administrative corps of the Executive Departments, and not specifically required by the statutes to be made only by the nomination of the President subject to the confirmation of the Senate, are now, for the first time in the history of the civil service, included in the classified service, and no one of them can now be appointed except through the channels of the civil-service rules.

The forceful argument, the logical reason, etc., as to why each official in the several Executive Departments whose duties are of an executive, advisory, and administrative character should properly, rightfully, and most expediently be excluded by law from the classified service may be briefly indicated in this way:

The Constitution and laws define the powers, duties, and responsibilities of the executive branch of the Government and vest the executive power and matters thereunto appertaining in the President.

The Constitution and laws also prescribe the times and manner in which the citizens of the country, in the exercise of their guaranteed and sacred right of elective franchise—the fundamental and essential power of control of governmental affairs and institutions—shall elect and place in office the President—the chief executive officer—for the purpose of administering the affairs of Government and executing the laws enacted by the legislative branch.

The political parties, constituting the factions of the great body politic of American citizens, are always at issue on the main questions involving matters of national interest and governmental importance, relating to both internal and foreign affairs.

Each of the political parties meet in convention, adopt a platform incorporating and setting forth its position, pledges, and guarantees on such questions, and proceed to nominate its standard bearers for the Presidency and Vice-Presidency.

These are made known to the citizens, the campaign follows, and the question as to which of the standard bearers shall be elected to assume governmental control and administer governmental affairs, etc., is determined by the citizens at the polls.

By the expressed wish of the majority of the citizens, the candidates of the successful party are duly installed in office, and then find themselves charged with the great and responsible duty of administering the affairs of Government in accordance with the

policies set forth in the platform of the party that placed them in power, all as pledged and guaranteed to the voters.

Considering the provisions and intentment of the statutes and the expressed wish of the great majority of the citizens, by the exercise of their constitutionally vested elective franchise, composing the political party who successfully elect and place in governmental control and administration their standard bearers, it obviously and logically appears that it was the intention that the chief executive or administrative officers should be possessed of the unrestricted and unlimited right and power of selecting from their party all those official assistants provided by law for the administration of governmental affairs.

Until now this was the practice, but since the promulgation of the Executive order of May, 1896, that rightful and legally provided practice has been materially curtailed.

Under the present condition of the civil-service rules and the laws upon which the same are founded, so far as the Executive Departments proper are concerned, that power has been so encroached upon as to prevent its exercise beyond the positions of the Secretaries and Assistant Secretaries, heads of bureaus, and some deputy heads of bureaus.

Therefore, it will be seen that all right of selection and appointment, in accordance with the heretofore prevailing practice established by the statutes, of all that class of subordinate executive, advisory, and administrative officers whose services and assistance are so essential to governmental administration is denied, except through the channels of civil-service examination.

As has been stated, the large majority of this class of executive, advisory, and administrative officials are not appointed through the nomination of the President with the confirmation of the Senate.

By the Executive order promulgated by President Cleveland in November, 1896, they are included in the classified civil service and are made subject to the civil-service rules then promulgated by him, which obviously abridges and curtails the right and privilege, vested by the Constitution and statutes, exercised by himself and each of his predecessors, of selecting and appointing them from the party that elected and inducted in office the chief executive or administrative officers for the purpose of administering all governmental affairs in accordance with the policies adopted by the platform of that party, both in regard to internal and foreign affairs involving the public interests and welfare, and the pledges and guaranties made to the citizens in regard to the same.

Every one who is in the least informed in regard to the provisions of the organic laws of the Executive Departments and the various bureaus and officers forming a part thereof, or is acquainted in a practical way with the workings of the same, know of what valuable and essential assistance the subordinate executive, advisory, and administrative officials are to the executive heads of those departments in the administration of the vast amount of most important affairs intrusted to them.

It is a fact that the heads of the Executive Departments in the administration of the affairs of their respective departments necessarily rely for executive, advisory, and administrative assistance and cooperation upon their Assistant Secretaries, and either through them or directly upon the bureau officers, who in turn necessarily, in a very large measure, depend upon their deputies, chief clerks, and chiefs of divisions.

It is also a fact that the chiefs of divisions are by the very nature and condition of things necessarily the part of the executive, advisory, and administrative corps who make the investigations, ascertain the findings, exercise the judgment, prepare the decisions, take the actions, etc., in official matters, and of course they should perform these duties in accordance with the prescribed policies of the chief executive or administrative officers of the Departments.

The fallacy of the present condition of affairs could be well illustrated in this way:

The Republican party was placed in governmental control by the great majority of the citizens of the country upon the pledge that the gold standard and bimetallic policy, subject to international agreement, should be the fiscal policy of the present Administration, and all effort would be made to effectuate the same. The President and Secretary of the Treasury are now charged with that duty, and must necessarily depend upon many of the subordinate officials in the Treasury Department for advisory and executive and cooperating assistance, etc., in regard thereto. It is a fact that many of that class of officials now in office are admittedly and expressly of convictions opposed to that fiscal policy, and it is obvious that they can not conscientiously, sincerely, and honestly assist in the administration of a policy directly opposed to their individual convictions. Again, their prejudices, arising from their own convictions, may influence their hostility to the successful administration of that policy.

If all that has been said as to why the classified civil service should include all of the class of subordinate executive, advisory,



and administrative officers who were included by President Cleveland's order of November, 1896, is true, and such action will best subserve the best interests of the Government involved in the departmental service, and all that is herein said and could be further said and suggested is wrong, and the very converse is what is really right, then logically it must follow that the same line of reason and argument could even more forcibly be applied to the higher executive and administrative officials, viz, all deputy heads and heads of bureaus, assistant secretaries, etc., yet it would be the very height of absurdity for anyone to suggest and advocate the idea of securing the services of men for those positions through the channels of competitive civil-service examinations alone, or for anyone to attempt to logically maintain the proposition that the most suitable and best qualified and equipped men for such positions could be secured in that way rather than the present way of selections based upon personal knowledge predicated upon the known experience and affiliations of the individuals selected and appointed, as well as personal knowledge derived in the same way as to the reputed and well-attested integrity and character of the individuals.

Again, if this be correct, it would logically follow that the same line of reason and argument could be advanced as to the matter of filling even higher positions—for instance, Cabinet places, Civil Service Commissioners, Interstate Commerce Commissioners, judges, justices, and other officers of the judiciary, and so on—so as to apply to the very members of the legislative branch of the Government, the higher positions in the diplomatic corps, etc.; but surely no one would be so foolish as to even suggest such an absurd proposition.

Again, it must not be lost sight of that it is a fact well known to all that in every position of an executive, advisory, and administrative character, executive and administrative capacity is as essentially required of the incumbents as educational attainments. Certainly there can not be any system of examination devised that would demonstrate such qualifications, and they can only be known to be possessed or else demonstrated by actual trial.

Again, many of such positions are positions of trust, and many others involve such matters as are calculated to test the honesty and integrity of the incumbents, and surely there can be no method of competitive examination devised which would develop the moral character and the honesty and integrity of the parties examined, and those qualifications can only be ascertained from testimonials or attestations based upon personal knowledge.

In private life and private business the matter of selecting such assistance as may be needed is always based upon personal knowledge and reputation as to fitness, character, ability, etc., and it is in that way alone that each individual selects his doctor, his lawyer, his banker, his broker, his agent, his merchant, his clerk, his engineer, his architect, his children's tutors or instructors, or such services as he may need, no matter of what nature, and if after trial they do not prove satisfactory others are immediately selected, and so on until satisfactory services are obtained.

Prior to the last order promulgated by President Cleveland, so it has been by provision of the statutes and in actual practice, and so it should properly and for the most practical purposes be now, in regard to the higher class of services in the departmental service.

In regard to the prevailing system much could also be said as to an official class being created and maintained, its objectionable features, its being contrary to the principles of republican form of government, opposed to the old-time well-digested theory and practice of rotation in office being subversive of the best interests of the Government, etc.

Arguments, varied, multiplied, and logical, could be further suggested as to the expediency of legislation such as is suggested by the accompanying bill being enacted for the best interests of the public service.

Mr. Speaker, I do not undervalue education. No man knows better than I how desirable it is for a public man to have had the opportunity of a liberal education; no man knows better than I how a young man entering the public service is hampered and envied by the misfortunes of poverty in his youth; no man who was born in affluence and was fully educated can appreciate the burden that is borne by one who entered life in poverty, was located far removed from educational institutions and acquired whatever of education he has by hard struggle while laboring for a livelihood. But what I deny in this connection is that this educational test as administered by the Civil Service Commission in this country is a fair and a just test of a man's ability to perform the duties of a public officer, and I stand upon the further ground that this Government is a government of the people and by the people, and that the people should be all the people.

You have no right, Mr. Speaker, to so usurp, by legislation, the control of this Government. You have no more right to prescribe this academical test than you have the right to prescribe the test of race, of birth, or origin of private opinion. You have by these enactments, and by the orders made pursuant thereof, established

a test of fitness in this country that destroys the participation of 65,000,000 people in the administration of the National Government, except through the medium of this bureau; but the matter of emolument, of salary, of pay is of slight importance as compared to another consideration in my mind.

It is as good as a liberal education almost to a young man to come to Washington and participate for four years in the administration of his Government. It broadens his mind, it opens his mental eyes, it gives him a grasp of the scope and magnitude of his Government, and makes him in all his coming years a better citizen; and yet you have excluded this great class from the places of influence, the positions of advancement and opportunity, and to nine out of ten of the people of the United States you have shut the door of a government by the people. There is no government by the people.

Why, Mr. Speaker, what have the men of this country done who could not have passed a civil-service examination? I introduce this branch of my subject by a quotation from *Christian Morals*, Part II, Section IV, by Sir Thomas Browne. It is as follows:

It is an unjust way of compute, to magnify a weak head for some Latin abilities, and to undervalue a solid judgment because he knows not the genealogy of Hector. When that noble king of France would have his son to know but one sentence in Latin, had it been a good one, perhaps it had been enough. Natural parts and good judgment rule the world. States are not governed by erasmisms. Many have ruled well who could not perhaps define a commonwealth, and they who understand not the globe of the earth command a greater part of it.

The gentleman who kindly called my attention to this extract favored me with the following letter:

MARCH 13, 1897.

MY DEAR SIR: Your very polite letter of the 9th instant, in which you acknowledge the receipt of a note I sent you on the 5th, containing an expression of the sentiments of Sir Thomas Browne upon the subject of civil-service reform, is received.

I have not the pleasure of your acquaintance, but you are a public man of national reputation and therefore liable to have any number of letters, upon every kind of public questions, along incessantly at you. You doubtless treat these as one of the onera of your office.

My experience in politics has not been very extensive, but my observation has led me to believe two or three things to be true which "reformers" always deny. It seems to me to be beyond question that the ordinary politician fills an office just as efficiently and just as honestly as any other man, and that he is just as true to his word and has just as high notions of public decency as the ordinary reformer. The strongest advocates of what they are pleased to call political purity are themselves very often without any sense of honor. Lawrence Godkin, the editor of the *New York Nation*, a man who has lived in a sublimated atmosphere of political virtue and has been, without doubt, the holiest person in his vicinity, published an editorial in that paper during the Hayes-Tilden contest, in which he advised that some Hayes elector of Massachusetts should vote for Tilden and thus settle the matter.

The utter dishonesty of such a course and its unspeakable rascality never occurred to this sanctified reformer, but it would be safe to say that no politician would ever have suggested such a scheme. The person above named is still editing some "reform" newspapers, and writing a serial about the tendencies of Democracy, or something of that sort, and gliding along with a kind of holy, impervious air, as unconscious of moral turpitude as an Ashantee savage is of a breach of the seventh commandment. He could, however, pass just as good a civil-service examination as the two ex-convicts you mention.

The first "reform" treasurer of Cook County, Ill., ran off with all the public money he could get away with, while a regular politician in his place would probably have left the office with a good record. The reason is plain. The politician spends his life watching public opinion, and no man fears it more than he. Your civil-service man does not give a tinker's — for public opinion. It did not frock him and it is not able to unfrock him. It seems to me that in a popular government no step ought to be taken that will tend to lessen the virility of the administrative function. Fresh blood will prevent staleness and a lapse into pure routine, and give public affairs a vigor that otherwise will be lacking. The uninfluential citizen will often receive polite treatment from a man who serves the people, when he would not get it from a man who merely serves the Government.

Much might be said; but I am sending coals to Newcastle. You have studied this subject, while I have not, and my crude ideas will not probably add anything to your store.

Yours, very truly,

CHARLES W. THOMAS.

HON. CHARLES H. GROSVENOR, Washington.

I publish it because it comprehends the whole subject. We have put it in our Constitution that there shall be no religious test for citizenship or fitness for office. We have inveighed in our organic laws throughout the country against favoritism growing out of sectarian tendencies and everything of the kind, and yet we come here and put into operation a grand scheme to seize the places of the Government, transform the President of the United States into a great figurehead, destroy the power of Congress, absolutely annul the free will of the members of his Cabinet, and subject the whole appointing power to the control, regulation, and manipulation of a bureau of men. I denounce it as un-American. I denounce it as anti-Republican. I insist that it is a plain violation of the principles of a republican form of government.

What now? It is hardly worth while to inveigh against a condition and offer no remedy. I have already said what I would have. I would have these appointments made upon the suggestions of Members of Congress, of Senators, or upon representations made by distinguished citizens. I would stop the recommending power in its operation right there. I would apportion

the places of the Government known as clerical, strictly clerical, to the several States in proportion to their population, and the several Congressional districts in like manner. I would have the appointments made for four years.

I would not put a barrier against retentions in office, but I would have it understood that there is a tenure to the public offices of the country. It is nonsense to talk of the impossibility of the running of the Departments at Washington without the continuing of these people in power. The people of the country scorn the idea that the young men of the country are not capable of filling the places. I would have such an examination made of every man that the Department would be absolutely protected against the possibility of injury.

Mr. Speaker, the people of the United States will not submit to this manipulation of public office very much longer. I contemplated at first the publication in this connection of many hundreds of letters and resolutions which have come to me upon this subject, but I will not do it. There is not a member of this House who does not understand that from ocean to ocean and from every section of this country there are coming in every mail protests of the most serious character against this abomination, and the people of this country are not in the habit of submitting to wrongs and despotisms without protest, and the people of the country know how to protest. General Grant denounced this civil service as a fraud in substance and effect, and was reelected President of the United States.

General Garfield upheld it to a certain degree, not sufficient, however, to couple his name with the passage of the original act, and a Democrat succeeded his Administration. That Democrat upheld to some extent the civil-service law, and he gave away to a Republican. That Republican moved somewhat in the direction, and his party shouted loudly for civil-service reform, and he was retired. His successor again surrendered to the behests of these reformers and he was retired; and we are looking to the future.

I hold in my hand the letter of a very distinguished civil officer of one of the Republican States of this Union that is represented in this body by more than a half-score of Republican Representatives, and he states that no man will be elected from that State to the Fifty-sixth Congress who does not openly pledge himself to the repeal or material modification of this law. Mighty gatherings of citizens in remote corners of the country have forwarded to me their words of approval in this behalf. There are one hundred people in the United States opposed to the administration of this law where there is one in favor of it. You can not suppress the hundred with the one. I need not multiply words in this behalf.

The tide is rising. It carried to Mr. Bryan in 1896 hundreds of thousands of votes because of the suggestions of his platform and his declarations upon the stump. It will not be submitted to, Mr. Speaker, and here I warn its friends, submit to just and intelligent reformation of these abominable orders of Grover Cleveland or submit to the destruction of your statute. Flee from the earth, but go by peaceful routes of retreat. Retreat over the lines of just modification. Retreat over the lines that will take you back to the original purpose of this law. Then provide for its execution and its administration by a system that will cease to be the laughingstock and cease to excite the condemnation of mankind. Do that, and pure civil-service reform will have been established upon the wreck of a humbug. Do that, and the civil administration of this Government will be the execution of the will of the people, for the people, and by the people.

I only add a communication received from the veterans of Philadelphia, which speaks for itself:

[Headquarters Union Veteran Legion, Wilmington, Del. John P. Donahoe, national commander; William A. Reilly, adjutant-general; Jacob F. Slagle, judge-advocate-general, Pittsburgh, Pa.; Daniel Caldwell, inspector-general, 1519 North Twenty-second street.]

PHILADELPHIA, PA., January 18, 1897.

DEAR SIR: Your request of January 12, to forward a list of the veterans dismissed from the United States mint at Philadelphia, is received. We thank you most heartily for your interest in this matter, and forward herewith the list asked for and a copy of the protest and appeal which we have placed in the hands of Major McKinley. He has promised to give it his "best consideration in due time."

Very respectfully submitted.

J. C. HUNTERSON,

Secretary Committee, 311 Wharton street, Philadelphia.

Hon. C. H. GROSVENOR.

#### PROTEST AND APPEAL OF VETERANS.

We, the undersigned, your comrades and fellow-citizens, veterans of the war, removed from our positions in the United States mint at Philadelphia for political reasons, respectfully ask your consideration to this subject, which is of such vital importance to us.

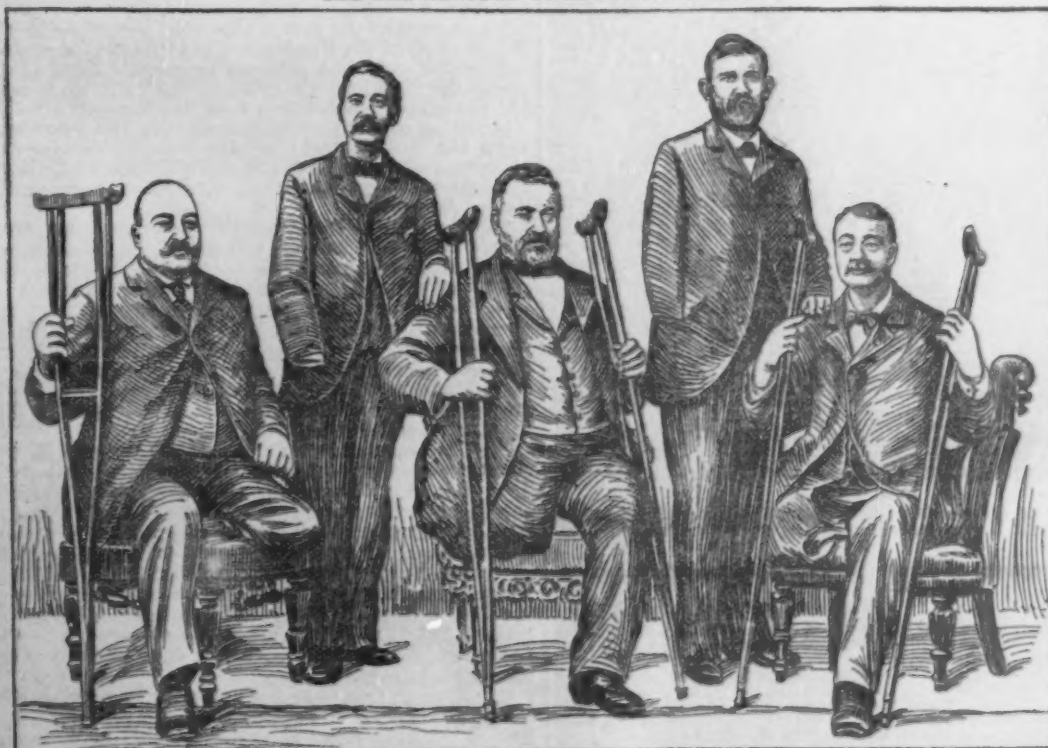
First. We claim that we are entitled to the protection of the United States statutes regarding the veteran, which have heretofore been interpreted as assuring to us our places under the Government, in which we have rendered faithful and efficient service for years, and from which we were unjustly and unlawfully removed.

Second. Our removal, in each and every case, was without cause, except that we were loyal Republicans and our places were required for the Democratic partisan.

Third. The superintendent whose mandate removed us was himself dismissed in disgrace. This will certainly be accepted as proof of his unfitness to sit in judgment on men who bore unchallenged reputations as citizens, as well as honorable records as soldiers.

Fourth. The cruel dismissal of five of our number upon Decoration Day, May 30, 1894, who were maimed by the loss of an arm or a leg, gave a special emphasis to the bitterness of purpose of the superintendent giving such an order, and is without a parallel, in our loyal city, of hatred to the soldier.

#### THE MEN ALLUDED TO IN FOURTH ITEM.



GEO. A. BAKEOVER,  
F Co., 72d Pa.,  
Night watch.

GEO. W. BROWN,  
D Co., 29th Pa.,  
Doorkeeper.

WM. NICH,  
1st Pa. Art.,  
Gatekeeper.

JNO. L. GRAHAM,  
F Co., 29th Pa.,  
Gatekeeper.

HARRY J. COOPER,  
E Co., 71st Pa.,  
Elevator.



Fifth. The promulgation of the civil-service law was not made until the 24th day of November, 1896 (just twenty days after the election of Major McKinley), although it had been suggested years previously. It is therefore very evident that if Mr. Bryan had been elected it would not have been needed. But, as he was defeated, the law was necessary to prevent our reinstatement to places which had been filled by Democratic politicians, some of whom were not born when the war was on.

Against all of this we protest, and from all and each we appeal.

This summary statement of our case we place before you, cherishing the hope and belief that it will receive the consideration which it deserves. We have the courage of our convictions in making this protest and appeal, and having patiently awaited the turn of the tide, have no hesitation in asking such friendly support and action as will restore to us a reinstatement in our positions.

The action of the Democrats in placing the mint under civil service after the defeat of their party and before the inauguration of Major McKinley was dishonest in motive and partisan in purpose, as the conditions existing were perfectly understood by all who were interested, as well by those in authority. A resolution of inquiry had passed Congress, asking the Secretary of the Treasury why the veterans had been dismissed, to which Mr. Carlisle made answer in a curt sentence: "For the good of the service." Against the Secretary's remarks we place this our statement of facts, which will not be disputed, as they are incontrovertible. If our removal had been for inefficient service, or dereliction of duty, the answer to our appeal would be the record, by which we are willing to be judged.

We have associated as friends and comrades, making a common cause in our appeal, pledging ourselves to stand together. We present our case for adjustment, "praying that we may have and receive" that treatment which is our desert, and that the evil design and contrivance of Democratic partisans to prevent our reinstatement may not succeed.

Respectfully submitted.

A. J. ANDREWS, Chairman.  
JNO. C. HUNTERSON,  
Secretary, 311 Wharton street, Philadelphia.  
W. J. SIMPSON,  
DANIEL CALDWELL,  
THOS. S. KEYSER.

Committee.

A. J. Andrews, L Company, One hundred and thirty-eighth New York; Dan'l Caldwell, E Company, Thirteenth Pennsylvania Cavalry; John C. Hunterson, B Company, Third Pennsylvania Cavalry; Wm. J. Simpson, E Company, Seventy-first Pennsylvania; Thos. S. Keyser, L Company, One hundred and nineteenth Pennsylvania; H. N. Sommers, H Company, Seventy-first Pennsylvania; Reuben McCarty, United States Marine Corps; M. H. Allison, B Company, Second District of Columbia Volunteers; M. Specht, sergeant-major Seventy-second Pennsylvania; H. D. Wharton, commissary sergeant Forty-seventh Pennsylvania; Jno. R. Pedrick, United States Navy; Geo. A. Bakeoven, F Company, Seventy-second Pennsylvania; C. M. Wills, H Company, Twelfth Pennsylvania; T. K. Vogel, A Company, One hundred and ninety-eighth Pennsylvania; J. W. Lewis, I Company, Sixth New Jersey; J. L. Graham, F Company, Twenty-ninth Pennsylvania; C. G. Moore, H Company, Twenty-sixth Pennsylvania; F. B. Loefferts, H Company, Eighty-second Pennsylvania; Toomey, D Company, Second Pennsylvania Reserves; W. W. Abell, B Company, Thirty-fifth Ohio; Geo. W. Brown, D Company, Twenty-ninth Pennsylvania Infantry; Harry J. Cooper, E Company, Seventy-first Pennsylvania Infantry; Jos. H. McClees, G Company, Sixth New Jersey Infantry; Thos. Gillespie, B Company, Twenty-sixth Pennsylvania; Robt. Stewart, D Company, Seventy-second Pennsylvania; Jos. L. Cornet, A Company, Twenty-eighth Pennsylvania; Wm. Knapp, C Company, One hundred and nineteenth Pennsylvania; Wm. B. Rose, H Company, One hundred and sixth Pennsylvania; Thompson Miller, C Company, Third Pennsylvania Cavalry; Geo. W. Curry, Second Delaware Infantry; Robt. Omensetter, United States Navy; Capt. Setley, Pennsylvania Infantry (now on duty House of Representatives under Hon. Mr. Brosius); S. A. Wehr, Pennsylvania Infantry; S. R. Russel, H Company, Ninety-sixth Pennsylvania; Wm. Palmer, Fifteenth Pennsylvania Cavalry; H. F. Spicer, H Company, Third Delaware Infantry; Wm. Barnes, H Company, Twenty-sixth Pennsylvania Infantry; Louis Gooden, E Company, Twenty-ninth Pennsylvania Infantry; Geo. W. Little, G Company, Ninety-fifth Pennsylvania Infantry; Jos. R. Souder, Pennsylvania Infantry; Wm. Nice, First Pennsylvania Artillery, Cooper's Battery; Jno. W. Rulon, Ninety-fifth Pennsylvania Infantry; Wm. Jeffries, Company A, Ninety-first Pennsylvania Infantry; E. Reese Moore, Pennsylvania Infantry; Isaac Williams, Pennsylvania Infantry; John Shaw, Forty-eighth Pennsylvania Infantry; A. C. Hickey, Forty-eighth Pennsylvania Infantry; Geo. McElroy, Company G, One hundred and nineteenth Pennsylvania Infantry; W. Morris, Company H, Twentieth Pennsylvania Cavalry; John Martin, United States Navy; Sam'l White, Company F, First United States Cavalry; Thos. G. Hall, Twentieth Pennsylvania Cavalry; John McCombs, Pennsylvania Infantry; John Vickery, United States Navy; W. F. Pratt, United States Navy; Jas. Elliott, Company E, One hundred and twenty-first Pennsylvania; Dav. T. Smith, United States Navy; Jas. Colgan, Twenty-third Pennsylvania; Jos. L. Kauffman, Pennsylvania Infantry; Chas. H. Lavis, Pennsylvania Infantry.

DECEASED.

William H. Sickles, Sixty-eighth Pennsylvania Volunteers; F. L. Knight, Third New Jersey; T. L. Jordan, Seventh Pennsylvania Cavalry.

[From the special correspondence of the Philadelphia Evening Star, Saturday, January 9, 1897.]

WASHINGTON, D. C., January 8, 1897.

Congress has got down to work again and is making an effort to finish up some odds and ends, in addition to passing the appropriation bills, before the time for its existence to expire arrives.

It is significant that Congressman GROSVENOR, the near friend and in many respects the spokesman for Major McKinley, put through the House two days ago a resolution calling upon the President and the heads of the different Departments to report to Congress how the civil-service rules had been applied in the making of appointments during the Cleveland Administration, giving the names of the people who had been removed from office, the reasons therefor, and the names, business, and politics of the persons appointed to the vacancies.

A similar resolution was passed by the House last June, but no attention

was paid to it, either by the President or his Cabinet officials. Since GROSVENOR brought forth his new resolution the President says that the failure to comply with the requests of the June resolution was a matter of pure oversight. He is willing that Congress should have a full and frank reply. Mr. Grosvenor expects to show when the replies to the resolution reach the House that the Democrats in all of the Departments have grossly violated the spirit of the civil-service law, made removals right and left, and filled all available places with Administration Democrats. It is expected that GROSVENOR will cite the Philadelphia Mint as the leading example of how unjustly the civil-service law can be made to apply. The Mint employees did not come under the provisions of the law when the Cleveland Administration came into power, but after the man Cleveland appointed superintendent had ruthlessly removed nearly every Republican official in the Mint and placed Democrats in their stead, the office was put under the protection of the civil-service law. It is expected that when Mr. McKinley as President appoints a Republican superintendent, the application of the civil-service rules to the employees of the Mint will be suspended until the persons who were turned out by Superintendent Townsend for no other cause than that they were Republicans can be reinstated. It is stated that among the people dismissed by Mr. Townsend were twenty-five men who had served in the Army during the war. This was a direct violation of a law which says that, all other things being equal, in making appointments preference shall be given to ex-soldiers and ex-sailors who fought for the Union in the war of the rebellion.

As I in substance heretofore intimated, I make this proposition and ask the careful student of legal and political conditions in this country to answer one or more of the questions thus propounded. In the light of the wrongs and outrages committed under the guise and protection of this system, either, first, the bureau is criminal in its disregard of law and duty; or, second, it is so ignorant, if the law be a perfect one, that it can not discover and remedy the wrongs and outrages; or, third, the law is of such a character, so hedged in with generalities and so destroyed of its operation by limits within the text of the law, and so perverted by Executive orders and manipulations, that it is impossible of just and honest execution. Look back over the period of four years and say which horn of the dilemma you will take. For myself, I will not intimate that this bureau is corrupt. It is impossible, it seems to me, that they are ignorant and stupid, and hence it is that I condemn the law and its execution as being of such character as it is impossible of honest execution.

What is the remedy? Now, Mr. Speaker, I will conclude this very lengthy address by adverting to the true remedy. It is said the President ought to modify and change the orders of Mr. Cleveland. It must be borne in mind in this connection that President McKinley has always favored a civil-service system. He wisely put into his inaugural address a modification or suggestion that opened to Congress a proper channel of operation. Not everyone who shouts civil-service reform will be recognized by the President as a civil-service reformer. Not every order that grabs at public office will be recognized by him as a due and proper execution and development of civil-service reform, but this system and its outrages have all been born of Congressional action. They are all based upon the statute known as the civil-service enactment.

These were all the acts of Congress, and while they are in force it is the duty of the President of the United States to see that they are intelligently and properly executed. Until Congress intervenes, the President will stand by the law. He is not responsible for the odious construction that has been put upon this statute. The seizing of the Bureau of Engraving and Printing, the seizing upon the minor places in all the Departments, the looting of the Government Printing Office, and all these things that have been incident to the growth and aggressions of this organization, he is not responsible for.

It has all been done under the pretense of law, and I for one, deeply as I feel the wrongs, will not ask the President of the United States, even though my voice might be heeded, to incur the responsibility of reversing the action of his predecessors beyond that which to his own good sense and good judgment may be commended; but I will ask the Congress of the United States to modify this law, and I say right here, Mr. Speaker, without any menace, that this voice, this demand of the people, this shout of denunciation, has got to be recognized on this floor. I give warning that no committee on civil-service reform of the Fifty-fifth Congress shall smother the voice of the people.

The Representatives of the people here who have introduced measures upon this subject shall have an opportunity to be heard upon this floor. No consignment of bills and resolutions to the pigeonholes of a committee will be tolerated. Bring the measures back here, with or without your favorable recommendation, and let us see what the voice of the country is upon this subject, as testified by the Representatives on this floor. This will be satisfactory; nothing short of it will be satisfactory; and then, Mr. Speaker, if this Congress fails to act the elections of 1898 will be close at hand and the people of the country will be heard from, and when they are heard from we shall have more definite data upon which to act.

Mr. Speaker, Congress can not shift this responsibility, and I would not shift it if I could. I would not burden the Administration with my views upon this subject, much less ask it to act and be exposed to the scorn and contempt of the Mugwumps of the United States. I owe something to the men of my district and my State, and the time has not been reached by me when I scorn

to acknowledge it. I admit that whatever I have succeeded in doing in public life has been because of the kindness, the generosity, the high trust, the intelligence of the men of my district, and I am not ashamed to say here that I am obligated to them therefor.

The young men of my district have toiled by day and by night to build up, strengthen, and perpetuate the principles of the Republican party, and incidentally they have conferred political favor upon me. It is no degradation for me to ask them to work in our political cause. It does not lower my sense of personal dignity to rally the young men and the old men of my district in support of the principles of the party to which I belong, and I have not reached the crowning idea of self-aggrandizement where I look with contempt upon the men who are my constituents; and I am willing and anxious to aid them in sharing in the blessings and emoluments of the administration of my Government.

The men, Mr. Speaker, who in 1896 marched thousands and thousands of miles to hear the words of encouragement and instruction from the President, as he stood upon the steps of his home in Canton, are entitled to have something to say about the Government of the United States without being subjected to irritation and distress and trouble in trying to secure admission to these Departments. They worked for the country and they worked for the candidates, and I protest when I find that when they apply for admission to participation, upon equal terms, in the Administration of the Government, a door of a bureau is slammed in their faces and they are told that they are good enough to vote and march and carry banners and transparencies, but they are not good enough to hold office under the Government unless they can compete in scientific literary knowledge with the students of colleges with wealth, and whose friends my friends and your friends can not successfully meet.

Let us, Mr. Speaker, base our approval of an applicant for office upon his patriotic devotion to the Constitution and laws of his country, his intelligent conception of his functions and franchises, the discharge of his duties of citizenship in the position which he occupies, and his characteristics that can never be ascertained by an examining board.

The system of civil-service examination as applied by the law of New York turned out to be a most monstrous failure, and the splendid governor of New York took the matter up and presented it to the legislature, and the legislature has made an intelligent one, one that I would be satisfied with, and I believe to-day that the wise and patriotic people of New York approve of what he has done. It gives the opportunity which I have appealed for.

Mr. Speaker, give me love of country as against literary excellence; give me patriotism against pageantry; give me native-born intelligence and special fitness for special purposes as against mere book learning.

I appeal for the young men of my country; I appeal for a just interpretation of her laws and principles; I appeal for an application of the great principles of Abraham Lincoln's declaration, that this is a Government of the people, for the people, and by the people, and to that end I will work and suffer, if need be.

#### The Tariff.

#### SPEECH

OF

HON. E. R. RIDGELY,

OF KANSAS.

IN THE HOUSE OF REPRESENTATIVES,

Monday, July 19, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. RIDGELY said:

Mr. SPEAKER: I shall vote "no" to this bill.

The authors of this bill claim that it will accomplish two things—provide revenue for the Government and encourage industry. As to its revenue power I have no doubt. It will increase the taxes on every man, woman, and child in the nation, and gather into the Treasury many millions more each year than the present tariff law. To this I object for the reason that I believe we should meet the present revenue by such retrenchment in expenses as may be necessary to that end, as the masses who are to be taxed by this bill can not pay more taxes except by increased privations. In justice to them and their condition we ought to reduce taxes instead of increasing them, as this bill is boldly designed to do. This true this tax will be collected stealthily, it being included as part of the cost of every article that must find its way into the homes of the people. Its victims will not know what part of this cost is tax; yet their money will be taken in larger quantities than now, and they will suffer its loss even if they do not know just how it is taken.

But, Mr. Speaker, there is still a greater burden laid upon the people by this bill than the millions of increased revenue paid to the Government. Already the price of sugar and many other necessities have been advanced to the consumers. Not a dollar of this advance will go to the Government, but it will go and is going into the pockets of home and foreign speculators. This evil will continue on many articles, so long as this protective method of taxing shall be followed, for it has long since been demonstrated that for every dollar of tax which reaches the Treasury by the tariff route the people, by this method of taxation, are compelled to pay into private pockets from two to three times as much more.

Money taken from the people in this way and given to a few speculators must of necessity weaken the people and add to their burdens, privations, and suffering. It does not require the study of statistics, Mr. Speaker, to reveal the fact that we are rapidly centralizing the wealth and homes of this nation into the hands of a few. Many of these favored owners are not even citizens of our country, and hence do not pay a dollar of this tax. This centralization is in part the inevitable result and effect of our protection policy, aided by others which I will not mention here.

The evil of centralizing the titles to the farms, houses, and property of our country and the consequent growing army of homeless people will continue so long as the present policies of favoritism are continued—our tax policy being one. Can it be possible that a single member of this House expects that to increase the taxes on every citizen of our land, regardless of their ability to pay, will really produce prosperity?

This question brings us to the second purpose of this bill—the encouragement of industry. We are assured by our Republican opponents that it will shut out foreign goods, leaving our manufacturers in exclusive possession of our home markets, thus encouraging them to keep their factories running. This, they say, will employ the people and enable them to buy the goods, thus inaugurating perpetual motion in prosperity. Happy scheme! But why has it failed so often under this same protective policy? We should not deceive ourselves and the country by this vain hope, in the face of past and present experiences and facts.

Why, Mr. Speaker, in denial of the charge that our factories have been closed by reason of increased importation, the official reports reveal the fact that the total imports under the present Wilson law are many hundred thousand dollars less than for the same length of time under the McKinley law. So it will not do to say the present difficulties are chargeable to our imports. But let us give our Republican friends the full benefit of their argument in support of their patent protection perpetual prosperity policy. Let us grant them all the home market, shut out all foreign goods, start up your mills, and call into employment all the idle workers of the land. Under the present system you can not run six months until you will be compelled to shut down fully half your mills, again turn into forced idleness half the people; while these same doctors will again cry out "overproduction" just as they have so often in the past. We speak from experience and not prediction.

Why has this resulted in the past, and why will it again? The answer is not to be found in either low tariff or high tariff. No, gentlemen, we have got to look elsewhere to find the causes of our troubles. Find them we must, and remove them, too, before prosperity can be realized and maintained.

Let us briefly look at our present system of industry and taxation; with present machinery, each man produces newly created values of \$4 each day. We pay him, say, an average of \$2 for his day's work (half this is nearer the average). Now, if he did not have to pay any taxes he could only buy \$2 worth of the goods out of what his day's labor has created, leaving unsold in the factory half the values each day. How long can the factory be run until its owners will cry out overproduction and shut down, for we have reached the condition where this illustration is almost the universal rule in all departments of production.

The great masses of our people having lost their houses and property, they have no longer security to buy goods on credit. The mill owners can not keep the mills running on credit sales, and the people have but little cash to buy with. This is a true statement of our condition under our present system. We have got to doctor it with other than tariff and unequal tax pills, which, so far as prices of materials are advanced, only adds to our difficulties by leaving more goods unsold.

Having thus hurriedly stated the difficulty which every observer in the land must see and having shown that our protective scheme has failed and will again fail as a remedy, I will now briefly present what, in my judgment, would at least partially remedy these conditions so far as a tax system can reach them. I would so change our laws, and if need be our constitutions, as to raise our national, State, and local revenues by a graduated tax on the wealth of the country and not on the necessities of the poor, as this and all tariff bills must do.

I would by a graduated tax on concentrated wealth not only raise the needed revenue to meet the present current expenses of the Government, including all State and local taxes, but I would largely increase our public improvement fund; and with this I



would put every man in the land, who applied, at work on public improvements at such liberal wages as would compel our factory and mine owners to materially advance present wages or lose their operatives. With the people in our valleys crying out for water, we can profitably employ the army of idle of to-day, creating a great national system of reservoirs on the high lands with irrigating and navigable canals to connect and distribute the water as needed, and by so doing save the valleys from floods and the plains from drought, while the people would all be employed at good pay, and would readily buy all the products of our farms, mines, and factories, provided we pay them better and stop taxing them unjustly.

This system can be extended without limit, as we can hardly conceive of a condition which will not require man's labor to produce supplies for his comfort, and in building, changing, and repairing of public property.

If perchance we find that less hours work will do all that is necessary, then, in the name of common sense and humanity, let us reduce the hours of labor to all.

Mr. Speaker, I intend, before this session closes, to introduce a graduated tax bill, and I sincerely wish this Congress would substitute such a bill for the pending tariff measure; but I have no hopes of this. However, the people throughout the nation are earnestly studying these problems, and they will, in the near future, send men to these halls who will do more than revamp old tax systems and quarrel over schedules.

For years we have had the protective system in force as part of our national policy, and it has steadily been an aid and ally in the continued tendency to centralize all wealth (the product of labor) in the hands of the few; and has also steadily increased the mortgage indebtedness on the homes of our people.

The census of 1890 gives the total value of all kinds of property in the United States, not counting Alaska, as \$65,037,091,197, divided as follows:

Real estate and improvements thereon.....	\$39,544,544,333
Personal property, including railroads, mines, etc.	25,492,546,864

this valuation being based on the selling value of the property. The total assessed value of this property, both real and personal, is \$25,473,173,418, divided as follows:

Real estate and improvements.....	\$18,956,556,675
Personal property.....	6,476,616,743

By reference to these figures, it will be seen that our system of assessment and taxation are unjust now to the farmer and home owner so far as property taxes are concerned, as the real estate and improvements pay taxes on nearly half of the actual value, while the assessed value of personal property is only one-fourth the real value, leaving the burden of property tax on the homes. And now, by this bill the revenue to be raised for the Government is to be a burden on the daily necessities of our people, instead of putting it on the wealthy, who should pay it, and to whom such payment would be no burden.

The increase of wealth from 1880 to 1890, as shown by the census returns, was 49.02 per cent.

Increase in population during same time was 24.86 per cent.

While the increase in mortgage indebtedness of the country during the same period was 146.53 per cent.

The figures show unmistakably where we are drifting, and it means, Mr. Speaker, that unless our economic policies are changed our people will soon be a nation of tenants, instead of home owners, and should be a warning to us ere it is too late to change our policy and save our nation.

This bill, instead of changing for the better, goes further than any previous one in fastening the chains of slavery now being forged by corporate wealth upon the great masses of the common people. The supporters of this bill clamor loudly for aid to the manufacturer. Let us see what the figures show in this regard for the benefit of the wealth producer (the laborer). Referring again to the census of 1890 we find the—

Total value of manufactured products to be.....	\$9,372,437,283
Cost of raw material.....	5,167,044,076
Difference (value added by labor).....	4,205,393,207
Paid in wages.....	2,283,216,529
Tribute paid by labor to capital.....	1,922,376,678

And now, in addition to this tribute we, by our action here in passing this bill, add to the cost of every necessity the laborer has to have for his daily subsistence—everything he needs for his table and everything he needs for his clothing. All this is in the wrong direction for relief. What is needed is a policy of taxation that will place this burden upon those who are able to bear it without inconvenience or suffering. We should place a graduated tax on all incomes above a reasonable amount for a comfortable living; and if, as our Supreme Court say, this is not constitutional, let us change our Constitution to enable justice to be done to our toiling masses.

"The greatest good to the greatest number" should be our motto, rather than the protection and enrichment of the few, and

the enslavement of the many, as is now the tendency of things, to be aided and hastened by the passage of the pending bill.

Already there is a strong and growing sentiment permeating all parties, classes, and parts of the nation, demanding not only the changes I have indicated, but others also that are soon to be adopted by an intelligent people, which will not only "provide revenue and encourage industry," but they will in reality produce equity and general prosperity for all, as our nation again resumes its march at the head of the column of nations.

#### Currency Commission.

In April, 1897, President McKinley appointed a foreign monetary commission to *discontinue* the gold standard.

In July, 1897, he wants to appoint a home monetary commission to *continue* the gold standard.

For which does he stand?

#### SPEECH

OF  
HON. JOHN W. GAINES,  
OF TENNESSEE,  
IN THE HOUSE OF REPRESENTATIVES,  
Saturday, July 24, 1897.

On the report of the committee of conference on the disagreeing votes of the two Houses on the bill (H. R. 379) to provide revenue for the Government and to encourage the industries of the United States.

Mr. GAINES said:

Mr. SPEAKER: Shortly after the beginning of this extra session of Congress President McKinley appointed what is called the Wolcott monetary commission to go to Europe for the purpose of discontinuing the gold standard in the United States by international agreement, as proclaimed by the Republican platform upon which the President was elected last November. At the same session of this same Congress, the same year, the same President, for the same people, those of the United States, urgently requests Congress to enact a law creating a home monetary commission—to do what? To *continue*, not *discontinue*, the gold standard, regardless of an international agreement. The President, you see, has deliberately at the same session of Congress, the same year, and for the same people, indorsed a plan to *discontinue* the gold standard, and at the same session of Congress, the same year, and for the same people, indorsed a plan to *continue* the gold standard; and, mind you, in each instance he is working ostensibly for the same people, to wit, those of the United States.

Several questions here naturally arise:

First. Does the President and his party want, in good faith, to discontinue the gold standard by international agreement, which means international bimetalism, the very opposite of the gold standard?

Second. Does the President and his party want to continue, not discontinue, the gold standard?

Bimetalism and gold monometallism are diametrically opposed to each other.

But still the President and his party have indorsed both systems, and would have Congress work for both, when we well know that both can not exist in this country at the same time.

Third. Are these plans and operations unbusinesslike? To continue working for the gold standard is to lessen the effects of all efforts at bimetalism. To work at the continuance of the gold standard and to work for bimetalism at the same time is the same in effect as working against both propositions.

Fourth. The President, it seems, very earnestly undertakes to do both; but which does he want done?

He has appointed the Wolcott commission to discontinue the gold standard and to reinstate bimetalism, and that commission is now "summering" in Europe with "good prospects of success," if the press properly quotes Mr. WOLCOTT. The President promptly appointed this commission, and the Government, at a heavy expense, has sent them abroad to do the very thing that the President in his remarkable message of to-day asks you in effect not to do.

And in the face of this the President asks Congress to create another commission to work in the United States for the purpose of continuing the gold standard and to appropriate \$100,000 to defray the attending expenses. What will foreign countries think of the President and the good faith that he should show them by and through the Wolcott commission? Will they not say, "Your President has just sent a most urgent message to Congress for the purpose of creating a commission to continue the gold standard, and here you are, representing the same President, the same Congress, the same nation, the same year, asking us to join the United States in discontinuing the gold standard? Here is bad faith and duplicity."

I submit that upon the part of the President it is unbusinesslike. It would seem by his words and acts that he is for the gold

standard and against the gold standard; for international agreement and against international agreement; for carrying out the Republican platform and against carrying it out; for carrying out the Palmer platform and against carrying it out.

From this message it appears that he has utterly abandoned all hope of international bimetalism without recalling the Wolcott commissioners, and now seeks to maintain and continue, by and through the United States alone, the gold standard, thus abandoning bimetalism by international agreement, and joining the gold monometallists.

The President's message says:

A notable assembly of business men, with delegates from twenty-nine States and Territories, was held at Indianapolis in January of this year. The financial situation commanded their earnest attention, and after two days' session the convention recommended to Congress the appointment of a monetary commission. I commend this report to the consideration of Congress.

Notice that the President "commends this report to the consideration of Congress." What does that report say? It starts out for the maintenance of the gold standard outright, regardless of everything and everybody and all nations. I read from that report:

This conference declares that it has become necessary that a consistent, straightforward, and deliberately planned monetary system shall be inaugurated, the fundamental basis of which should be: First, that the present gold standard should be maintained.

The "fundamental basis," then, of this report is the continuance of the present gold standard, while, Mr. Speaker, the "fundamental basis" of the Wolcott commission is to discontinue the present gold standard. This conference report was promulgated by the Indianapolis convention, which assembled in January last, who, though few in number, with much money made Mr. McKinley's election sure.

That "notable assembly of business men"—"business men," mind you—insists that the present gold standard should be maintained, and without requesting the President to recall the Wolcott commission which is trying to discontinue the gold standard, they demand that the present gold standard shall be maintained. Does that look like "business"?

These "business men" would have the two commissions at work at the same time—one to discontinue the gold standard, at work in Europe at the expense of the people, the other to continue the gold standard in this country and by this country, at the expense of the people. And, mind you, the President says:

I commend this report to the consideration of Congress.

This "notable assembly of business men" came to this conclusion after two days' session, while 6,000,000 people who voted for McKinley, after great deliberation not only for two days but since 1876, came to the deliberate conclusion that the gold standard should be discontinued, but by international agreement; while the McKinley vote and Bryan vote—nearly 12,000,000—want the "gold standard" discontinued, the former by international agreement, the latter without waiting for it.

In the face of this authority, from "we the people," the President deliberately follows the plan of the "notable assembly of business men," and in the most importunate manner insists that these 12,000,000 of voters were wrong, and that their deliberations since 1876, including his own, should and must come to naught, and that the gold standard should be the "fundamental basis" upon which our finances should be built and continued.

This message says this commission is to "report their conclusions on or before the 1st day of November next, in order that the same day it may be transmitted by me to Congress for its consideration at its next regular session." It is seen by this language that the President would appear to be in earnest about the appointment of this commission, and therefore equally in earnest about continuing the gold standard. Now, suppose this commission had been appointed, and that it had in due course reported that the gold standard be continued. And suppose that the Wolcott commission should also report in due course that an international agreement had been arranged for discontinuing the gold standard. Here the President would have both reports, diametrically opposed to each other! One to continue and the other to discontinue the gold standard, both of which he had favored.

Now, what would the President do? He could no longer straddle. He could no longer be duplex. What would he report to Congress?

Another remarkable feature of this message is this. He says:

This subject should receive the attention of Congress at this special session. It ought not to be postponed until the regular session.

The President knew the House and Senate had both agreed to adjourn at 9 o'clock p.m. (July 24, 1897), and yet with this knowledge this message was sent to Congress within less than two hours before this hour when both Houses adjourned. The President knew that it could not and would not be considered in this short time in either House. He knew it would pass the House by brute force, but that it would not pass the Senate. This action is another evidence of the bad faith, the poor judgment, the cheap politics, and the unbusinesslike methods of the President and his party.

In closing his message, the President says:

It is to be hoped that the report thus made will be so comprehensive and sound as to receive the support of all parties and the favorable action of Congress.

How is it possible, I respectfully ask, for Congress to receive favorably the action of the two commissions, one to continue and the other to discontinue the gold standard? And how could "all parties" receive favorably such reports?

The President's message on this subject lacks courage; it lacks good faith; it is a miserable, unbusinesslike straddle.

If followed, it would make confusion more confused and international bimetalism less possible.

But the President knows how "all parties" have been on this "gold and silver" question, since he has affiliated at different times with "all parties" on this question. In Congress he voted with "all parties" to remonetize silver.

HIS "ALL PARTIES" RECORD.

Let us see what Mr. McKinley voted for while a member of this House, and what he said afterwards.

1. November 5, 1877, he voted for the Bland 16 to 1 free coinage of silver act, entitled "An act to authorize the free coinage of the standard silver dollar, and to restore its legal-tender quality."

2. February 21, 1878, he voted against laying this Bland bill and Senate amendments thereto on the table.

3. On the same day he voted for the two Senate amendments to this Bland bill, which amendments required (1) the monthly purchase of no less than two and no more than four millions of silver bullion, and (2) the monthly coinage of the same into standard silver dollars.

4. February 28, 1878, he voted for this Bland-Allison Act, and by this vote aided in its passage and becoming a law over President Hayes's veto.

January 29, 1878, Mr. McKinley voted for the resolution offered by Senator Stanley Matthews, of the nonsilver-producing State, Ohio, which reads as follows:

*Be it resolved by the Senate (the House of Representatives concurring therein), That all the bonds of the United States issued or authorized to be issued under the said act of Congress hereinbefore recited are payable, principal and interest, at the option of the Government of the United States, in silver dollars of the coinage of the United States, containing 412½ grains each of standard silver, and that to restore to its coinage such silver coined as a legal tender in payment of said bonds, principal and interest, is not in violation of the public faith nor in derogation of the rights of the public creditor.*

This resolution was agreed to by the following vote: Senate—yeas, 43; nays, 22. House, yeas, 189; nays, 79.

Senators Thurman and Matthews, of Ohio, voted yea, while the lamented Isham G. Harris, of my own State, was paired for it, and his colleague, the great lawyer and distinguished statesman, Judge James E. Bailey, voted for it. Each and every member of Congress from Tennessee voted for it, as follows: Bright, Caldwell, Dibrell, Riddle, House, Atkins, Young, Whitthorne, Thornburg, and McFarland. The great speech of Judge Bailey in favor of this resolution which I have read is a monument to his genius, his patriotism, and his statesmanship.

5. April 8, 1886, the Bland free-coinage bill was reported adversely, and a substitute was offered therefor, providing that silver coinage under the Bland-Allison law should be suspended July 1, 1886, unless previously remonetized by international agreement. Mr. McKinley voted against this substitute.

6. In 1888, at the Republican national convention, Mr. McKinley reported the platform, which declared that—

The Republican party is in favor of the use of both gold and silver as money, and condemns the policy of the Democratic Administration in its efforts to demonetize silver.

This was condemnatory of Mr. Cleveland's recommendation to repeal the Bland-Allison Act. Mr. Cleveland now favors the gold standard (the Indianapolis convention views), which Mr. McKinley indorses in his message of to-day outright.

7. In 1890, Mr. McKinley, as chairman of the House Ways and Means Committee and leader in the Fifty-first Congress, earnestly advocated the Sherman silver-purchasing act of 1890 as better than the Bland-Allison Act and as the next best thing to free coinage, saying of it:

We can not have free coinage now except in the manner provided in the bill: To defeat this bill means to defeat all silver legislation, and to leave us with two millions a month only, when by passing the bill we would have four and a half millions a month of Treasury notes, as good as gold.

8. May 7, 1890, he said in the House:

When merchandise is the cheapest, men are the poorest; and the most distressing experience in the history of our country—aye, in all human history—have been when everything was the lowest and cheapest, measured by gold, for everything was the highest and the dearest measured by labor.

9. When he was nominated for Congress against Mr. Warwick, in his speech of acceptance, he said:

We made another pledge. The Republican party is in favor of the use of both gold and silver as money; that the one should not be discriminated against, but that both should be equal and alike recognized by the Government. That pledge has been kept. The Congress of the United States has passed a law which utilizes every ounce of the silver product of the United States, and even more; utilized it for money, and turns it into the channels of trade and avenues of business, and as a result silver is nearer a parity with gold to-day than it has been in the last fifteen years. By this law we have



not only increased the circulating medium of the country, but we have made that circulating medium absolutely safe. Not a single Democrat voted for the silver bill. It passed in spite of Democratic opposition. The Democrats had the House of Representatives and the Presidency for four years, and did nothing for silver but discredit it. Cleveland's first act was to demand the suspension of the coinage of the silver dollar. We pledged the restoration of silver to its true and ancient relation in our monetary system, and it has been done.

10. September 27, 1890, Mr. McKinley wrote Mr. Perkins:

I have always been in favor of the free and unlimited coinage of the silver product of the United States, and have so voted on at least two occasions during the time I have been in public life. I was not willing to extend this coinage to the silver of the world and open the mints to foreign countries without charge, as proposed by gentlemen on the floor of the House. My purpose was to secure immediate legislation that could credit and dignify our silver coin. I believe the law which we enacted this session will accomplish that result. It utilizes every dollar's worth of the silver product of the United States, and even more.

Now listen as to what effect he says the law has on increasing the value of silver. He says:

The value of that legislation (Sherman Act, 1890) has already been apparent in the enhanced value given to silver.

Here he admits he voted for free coinage. He said:

You may remember, as indicating my position on this subject, that I voted to pass the silver bill in the Forty-fifth and Forty-sixth Congresses over the veto of President Hayes.

Now listen to this wonderful stone-wall position he took and compare that with his present duplex position. He concluded his letter thus:

With me political and economic questions are a conviction, and while I may not always be right, I am always willing to let those whose suffrages I seek know exactly what they are.

I respectfully submit that it would take a powerful political microscope to discover just now his political and economic convictions on the money question.

11. October 27, 1890, he proceeded to deliberately fool the Farmers' Alliance of his own State. He wrote "Secretary, Stark County Farmers' Alliance," as follows:

First, I am opposed to all trusts and combinations of the times in the restraint of trade, and would favor any legislation which would destroy them. I voted for the Sherman antitrust bill, which was a step in the right direction.

And yet Mr. McKinley carefully omitted to condemn the Republican Senators for voting as a unit against the several Senate antitrust amendments to the present Dingley bill. Mr. McKinley's letter continues:

I am in favor of the use of all the silver product of the United States for money as a circulating medium; I would have silver and gold alike.

Yet he would not in 1897 have gold and silver "alike."

12. June 14, 1890, Mr. McKinley in this House said:

I am for the biggest use of silver in the currency of the country. I would not dishonor it; I would give it credit and honor with gold. I would make no discrimination. I would utilize both metals as money and discredit neither. I want the double standard.

Yet he says now he wants the single gold standard.

13. At Akron, Ohio, 1891, Mr. McKinley denounced Mr. Cleveland's policy in unmeasured terms. He said:

During all of his years at the head of the Government he was dishonoring one of our precious metals, one of our own great products, discrediting silver and enhancing the price of gold. He endeavored, even before his inauguration to office, to stop the coinage of silver dollars, and afterwards, and to the end of his Administration, persistently used his power to that end. He was determined to contract the circulating medium and demonetize one of the coins of commerce, limit the volume of money among the people, make money scarce, and therefore dear. He would have increased the value of money and diminished the value of everything else—money the master and everything else the servant. He was not thinking of the "poor" then. He had left "their side." He was not "standing forth in their defense." Cheap coats, cheap labor, and dear money; the sponsor and promoter of these professing to stand guard over the poor and lowly. Was there ever more glaring inconsistency or reckless assumption? He believes that poverty is a blessing to be promoted and encouraged, and that a shrinkage in the value of everything but money is a national benediction.

August 26, 1896, in his letter of acceptance, Mr. McKinley said:

Against any such policy I am unalterably opposed. Bimetallism can not be secured by independent action on our part. \* \* \* Until international agreement is had, it is the plain duty of the United States to maintain the gold standard.

We see from these utterances that Mr. McKinley has been on all sides of this question. He has been with "all parties," and yet he stated emphatically in his letter to Mr. Perkins this:

With me political and economic questions are a conviction.

Then why has he varied so in his conviction? For free coinage and against it; for remonetizing silver and against it; for paying our bonds in silver dollars and against it; for remonetizing silver over the President's veto and against it. He denounces Mr. Cleveland's attack on the Bland-Allison Act and the Sherman law, by which latter law silver coinage was stopped, and now he indorses it; he was for the double standard and now against it; he was for the free coinage of our own silver product and now against it; he said that everything is lowest and cheapest measured in gold, and now he says that gold is best for the laborers and farmers in this country; he favored bimetallism by international agreement, and now indorses the maintenance of the gold standard; he was elected on the promise to procure, if possible, international bimetallism, and now in effect opposes it; he appointed a foreign monetary commission to discontinue the gold standard, and now he recom-

mends the appointment of a monetary commission to continue the gold standard.

He wires in and he wires out,  
He leaves the people still in doubt  
Whether the snake that made the track  
Was going north or coming back.

14. But it is beyond question, it seems to me, that this message was sent in as a subterfuge to further lend to the people of this country the hope of financial relief promised them in the last campaign. Mr. McKinley knew, as stated, it could not become a law this session. He purposely, evidently, omitted to send his message to Congress any sooner than he did that it might not be considered, its merits and demerits pointed out, and a decent life or death given the measure. He will go back to his State, which has so long honored him, and say to that restless and long-suffering people, "Wait a little longer; do you not see what I have done and am doing? I have appointed an international monetary commission to discontinue the gold standard, and I have recommended a law which has passed a Republican House to create a monetary commission to continue the gold standard. Do you not see what I am doing?" The cry has gone up, Mr. Speaker, all over this country for financial relief, and the people demand it. It went up throughout this Union from 1876 to 1878, when silver was partially remonetized, giving some relief. No louder cry went up from any State than Ohio, as witnessed by the words of the Hon. Stanley Matthews on the 10th day of December, 1877, in the Senate, which I beg to have made a part of my remarks.

Mr. Matthews, a Senator from the State of Ohio, said:

Mr. President, the general assembly of the State of Ohio at its session last winter adopted the following resolution:

"Resolved, That common honesty to the taxpayers, the letter and the spirit of the contract under which the great bodies of its indebtedness was assumed by the United States, and true financial wisdom each and all demand the restoration of the silver dollar to its former rank as lawful money."

Continuing, Mr. Matthews said:

This resolution was passed with great unanimity. There were but three negative votes in the house of representatives and one in the senate, and I have no doubt it expresses the deliberate and considered public opinion of the people of that State with the same proportion among them as to unanimity as was evidenced by the vote of their representatives in the general assembly.

Mr. Speaker, in the course of the debate in the Senate upon the concurrent resolution Senator Matthews further said:

But my statement is that gold has risen in value with all commodities, and therefore with silver, and with silver only because it has risen in value with all commodities.

I have the testimony of my observation; I have the testimony in the list of bankruptcies, which I read; I have the testimony in the list of sheriffs sales I have noticed; I have the testimony in the prices to which real estate has shrunk; and I could recount instances in that city, which I believe to-day the soundest and most prosperous one on the continent, where business has been transacted the least on credit—I mean the city in which I live (Cincinnati)—where the depreciation in real estate and in every article of property other than gold itself has been actually unexampled. What else means all this cry of discontent? What else means all this half-suppressed murmur of dissatisfaction?

#### WHEN DO PEOPLE CRY?

Do gentlemen suppose that people are crying out when they suffer no pain? Do they suppose that the voice of lamentation comes up from the homes and houses of the people merely that they may hear themselves shriek and cry? Or is it the truth and is it the fact that the distress of the country is beyond all historical comparison in our country, and that to-day it will require but a few more turns of the wheel to submerge the majority of the body of the people into hopeless bankruptcy? So, then, Mr. President, on any ground and in any view that I am able to take, if we restore the silver dollar to its former and accustomed place in our legislation, in our coinage, and in our currency, we are still paying the public debt and all private debts according to a large and overflowing measure of value.

On August 1, 1877, the Republicans of Ohio met, and in convention assembled declared:

We are in favor of both silver and gold as money; that both shall be a legal tender for the payment of all debts, except those specifically provided for by law, with coinage and valuation so regulated that our people shall not be placed at a disadvantage in our trade with foreign nations; and that both metals shall be kept in circulation as the money of the nation, as contemplated by the Constitution; and we therefore demand the remonetization of silver.

If in 1877 the "remonetization of silver" would remove any disadvantages of trade with foreign nations, and keep "in circulation as the money of the nation both gold and silver" and "as contemplated by the Constitution," why will it not do so now? The Bland-Allison law, as we see, partially remonetized silver; business revived under its invigorating influence, and hence it was that on June 12, 1878, the Republicans of Ohio again met in convention and adopted the following financial plank:

The financial question having been disposed of by Congress—

Bland-Allison law—

and the country at present needing repose in order that capital may seek investment and that industries may revive, thus increasing the demand for labor, the situation ought to be accepted; and we oppose the further agitation of the question at this time as injurious to business and devoid of other than evil results.

The Republicans of Ohio, including Mr. McKinley, were content to let the Bland-Allison law remain, feeling assured that business would revive, as it did.

And now, without more, I desire to make part of my remarks also and to commend to the consideration of the American people portions of the great speech of the Hon. William D. Bynum, made

in this House March 20, 1886, in making a minority report in favor of free coinage. It is all the more delightful to read since that distinguished gentleman is now stumping the country, saying to the farmers and the people that the gold standard only, and not bimetallism, is the thing for them, and that the gold standard only can bring relief. He said:

"Mr. Speaker, I desire to occupy the attention of the House for a time in the discussion of the measure now before it looking to the free coinage of the silver dollar. I do not expect that I shall be able to say anything that will change the opinion of any member of the House, and yet I believe that no better use can be made of the time of the House than that which has and will be taken up in the examination of this important matter. It is by this means that the people will become educated upon the subject and be prepared to give a correct and intelligent expression of their views when the proper time arrives for them to speak.

"The President and Secretary of the Treasury have strongly recommended the suspension of the coinage of silver dollars. A partisan and supporter of the Administration, possessing unlimited confidence in the integrity and patriotism of the Executive and his Secretary, I have and expect, whenever and wherever I consistently can, to support their views and uphold their policies. I am, however, upon this question compelled to dissent from the views expressed by the President in his message and the Secretary in his report. \* \* \*

"Having signed the report of the minority of the Committee on Coinage, which recommends the passage of this bill making the coinage of silver dollars free and unlimited, occupying advanced ground, I ought to be able to give some plausible reason, whether satisfactory or not, for the position I occupy.

"The Bland bill, which passed the House on the 5th day of November, 1877, by an overwhelming vote, provided for the free and unlimited coinage of the silver dollar containing 412½ grains, as provided in the act of January 18, 1837.

"The bill was amended in the Senate so as to require the Government to purchase not less than \$2,000,000 worth of silver bullion, and to coin not less than two nor more than four million dollars per month. The friends of silver, in the presence of a hostile Administration, were willing to accept the compromise measure. Had the spirit and intention of this law been honestly carried out by the coinage of the maximum limit or the product of our own mines, it is more than probable that the problem would have been settled before this either by the adoption of free coinage or by suspension.

"The execution of this law, however, has been in the hands of the enemies of the silver dollar; coinage has been restricted to the minimum limit, and the excess of bullion produced from our mines thrown upon the market as a commodity. The effect of such a policy only tended to further depress the market value of silver bullion.

"I am in favor of the free coinage of silver because I believe it to be a palpable violation of the Constitution and of the rights of the States and the people to in any wise limit or restrict the coinage of either metal. By the Articles of Confederation the right of coining money belonged concurrently to the States, Congress possessing only the exclusive right to regulate the alloy and value. Can it be inferred that when the States parted with the right to coin money and consented to the restriction upon the powers to make nothing but gold and silver a legal tender they intended that the Federal Government should coin or not coin money as Congress might determine? Did they intend by this concession to become dependent upon the will of legislation, or to continue to rely upon natural resources, which had been the policy of all governments from the foundation of the world, to furnish the supply of money?

"Silver pays the laborer for his work in the field, in the manufactory, in the shops, and in the mines. It purchases his provisions from the grocer, pays the rent, and clothes his family. As well said, 'It is the people's money.' Take away silver and you destroy the industries of the people, which furnish the balance of trade in our favor, and our gold will leave us to square the account. Give to American labor plenty of silver and it will furnish products that other nations will purchase and pay for in gold. Gold will not be driven out so long as the balance of trade is in our favor; it will not remain when the balance is against us. Gold is, and ever has been, an unreliable money. The great interests of our people, transacted largely upon confidence and credit, should have a basis neither timid nor cowardly. If you confine the people of this country to the single standard of gold, periods of depression more lasting and more terrible than we have ever experienced will be our portion. As well said by Senator Ingalls: 'No enduring fabric of national prosperity can be built on gold.' \* \* \*

"Driven to cover by the facts, upon the proposition that silver will expel gold, the advocates of suspension say that we have all the silver we can use, all that will circulate upon a par with gold, and that if we coin more the monetary values of the two metals will part. Of all the sophistries advanced this is the most fallacious. Will some gentleman tell me what relative uses they per-

form as money, after being coined by the Government, that will cause them to separate? After being officially stamped as money and given full legal-tender power, what advantage will one possess over the other? When will a silver dollar pay less than its monetary value—when will a gold dollar pay more? The power of sovereignty within the confines of the Government fixes the relative values of the two coins as money, and the values of the materials of which they are made as commodities in the markets can have no influence upon their circulation. \* \* \* The fiat of the Government gives to one the same qualities as the other, and it is beyond the power of individuals to discriminate except by specific contract. \* \* \*

"So long as the two coins perform the functions of money they must circulate upon an equality.

"Again, the advocates of gold approach us with open hands and smiling countenances, but I fear with a dagger concealed beneath their cloaks. 'Oh,' they say, 'we want silver! We are bimetallists, but we want an honest dollar. Suspend coinage and we will drive England, Germany, and other nations to bimetallism, and then the price of silver bullion will appreciate and our dollar will be worth a hundred cents.' To the friends of silver I wish to say, 'Be not deceived.' A suspension of coinage means demonetization.

"We should remember that the discrimination made against silver is what has already driven the bullion value of the silver dollar, as compared with the gold, down to 80 cents. Our country, without silver coin, with an immense debt to pay, every dollar of which, by every principle of law and equity, of honesty and justice, was payable in silver coin, was the desert upon which this current should have been turned. Such a policy would probably have averted the great panic of 1873, which swept across the country like a besom of destruction, marking its course by a destruction of values never before witnessed.

"Silver was demonetized without the consent or the least knowledge upon the part of the people. \* \* \*

"With all this discrimination against it, silver has held a place in all the governments of the world, performing the functions of a medium of exchange between the great body of the people. \* \* \* Free coinage will make the silver in a dollar worth a hundred cents. It will do more. It will make wheat and cotton, homes and farms, sweat and muscle, worth a hundred cents to the dollar.

"We have to-day \$1,594,000,000 in coin and paper. It will take \$1,376,000,000, nearly as much more, to give us the amount per capita that France has. For one, I am in favor of opening the mints and letting the bright stream flow through the channels of trade and commerce unimpeded until 'idle money becomes as unproductive as idle labor.' Let us try the experiment. If it proves a failure we can easily abandon it before any serious harm is done.

"We are told that silver is cheap money, that it is unjust to creditors and a fraud upon the laboring man. The advocates have loudly proclaimed, and in tones of great sympathy, that the continued coinage of silver will so cheapen money that prices will immeasurably go up and the laboring classes be the greatest sufferers. The disinterested philanthropy of the man who opens his vaults, views his gold, and laments that money is likely to become cheap, to the great detriment and injury of the working classes, is wonderful. These gentlemen are the first to discover, however, that cheap money means low wages. It has always been the prevalent idea that money was fixed and unchangeable, and that it was the price of commodities that fluctuated. \* \* \*

"Labor has always been considered the first and greatest of commodities. When money is cheap, prices are inflated and wages go up. When money is dear, prices are depressed and wages go down. There is not a laboring man to be found who does not know that when prices are up wages are not only high, but work plenty; that when prices are down, wages are low and work difficult to obtain. When prices are falling there is discontent and disaster; when they are rising there is pleasure and prosperity.

"It is because of the shrinkage of values, as well as the detriment of labor, that I raise my voice and utter a protest against this crusade that has been in the past so successfully waged in behalf of the moneyed interests, to the utter and almost complete destruction of the welfare of the people.

"The people of the West are in debt; their farms, their homes, and, in many instances, their beds are mortgaged. They have been paying exorbitant rates of interest to the East until they are impoverished. The prices of their products have fallen, their lands shrunk in value until they begin to stagger beneath the weight of their burdens. They are energetic, laborious, and patriotic. During the days when the nation's body was bleeding from a hundred wounds and its life trembling in the balance, they poured out their richest blood and treasure that it might be saved. They faced the death-dealing grape and canister upon a hundred fields that this Government might be preserved as one great, indissoluble nation, and they now ask that in the majesty of its strength and power its great, strong arm shall not be raised to at one blow strike them down to want and beggary." [Great applause.]



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